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FBIS-SOV-96-141 22 July 1996

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CIS: ITAR-TASS Carries Press Review for 20 Jul

LD2007060296 Moscow ITAR-TASS in English 0513 GMT 20 Jul 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] Moscow, July 20 (Itar-Tass) — The opening of the Olympic Games in Atlanta is the feature event of today. Newspapers of various political orientations — ROSSIYSKAYA GAZETA, PRAVDA, TRUD and KOMSOMOLSKAYA PRAVDA — all frontpage reports about the Olympics. "Will Russia be able to hold out alone against the powerful U.S. team for which Atlanta is its home? Of course, we are short of money, we have shabby stadiums, but we still have the mentality of winners, and it is a valuable factor," KOMSOMOLSKAYA PRAVDA writes.

Of all the domestic problems the greatest attention continues to be given to the situation in Chechnya. Most newspapers present as a sensation materials about a press conference of Salman Raduyev (or the one who poses as Raduyev). "Against the background of those horrifying revelations, broadcast by TV all over the country, statements of separatist leaders about their readiness to settle the Chechen conflict by peaceful means sound unconvincing," ROSSIYSKAYA GAZETA writes, commenting on Raduyev's press conference. "Raduyev has overstated his own potentialities and those of his associates," KOMSOMOLSKAYA PRAVDA believes. "At the same time, many of his statements deserve close attention and should be regarded with apprehension." KRASNAYA ZVEZDA describes Raduyev's press conference as a "TV vaudeville of the bandits." It believes that "the bloody crimes committed in various parts of the Chechen Republic over the past several days are another manifestation of the open resistance of the separatists to lawful authorities, to the establishment of peace and accord." NEZAVISIMAYA GAZETA describes Raduyev's press conference as a scandal and carries an article on this subject under the headline "Salman Raduyev has come back to life. Now it is the turn of Dudayev." IZVESTIYA publishes an article by its correspondent Yakov, entitled "No one in Chechnya believes in Dudayev's death." "Words about peace continue to be nothing but words," RABOCHAYA TRIBUNA writes about the developments in Chechnya. "Combat operations in Chechnya are quickly gaining in intensity after a short lull before the elections. The question arises: are we unable or unwilling to reach agreement on peace? There may by only one answer to it: it looks like we do not really want it," TRUD writes.

SEGODNYA frontpages a report about the abortive attempt to stage an act of terrorism in Voronezh. "It is a miracle that a powerful bomb, laid in the building of the Voronezh railway terminal, did not blow up. Passengers' lives were saved because of a poor quality of the explosive," the newspaper writes. TRUD also carries an article on that subject.

ROSSIYSKAYA GAZETA publishes the text of a report, made by the chairman of the Duma Committee for Defence at the Duma session on Friday, about new facts of corruption in the Armed Forces. The material is entitled "Dollars on shoulder straps." NEZAVISIMAYA GAZETA also carries a detailed report about it. It also writes about a press conference of Duma Chairman Gennadiy Seleznev, devoted to the results of the spring session of the lower chamber of the Russian parliament.

KRASNAYA ZVEZDA comments on the government resolution "On the list of enterprises and institutions of the defence complex, whose privatization is forbidden." "The future of Russia's defence complex continues to evoke concern. After the prohibition of privatization of defence enterprises, the state should take upon itself additional responsibility for them," the newspaper writes.

ROSSIYSKIYE VESTI carries an article by Academician Nikita Moiseyev. He believes that "if most serious attention is not paid to the problems of science, education and culture, which are drooping because of continuous money shortages, Russia has no future." Vladimir Shumeyko comments in ROSSIYSKAYA GAZETA on the idea, expressed by President Yeltsin, that it is necessary to work out a national idea in Russia. He believes that "state patriotism" might become such an idea.

PRAVDA writes about a regular session of the organising committee for the convocation of a founding congress of the Popular-Patriotic Forces of Russia, due to be held on August 7. "We shall stick to the following policy: we shall monitor the keeping of promises, made by the president before the elections. Our task is to defend the interests of the people," chairman of the organising committee Nikolay Ryzhkov said after the session.

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comments on Bosnia, NATO, Chechnya, European security, and Russian elections.

Moscow ITAR-TASS in English at 1620 GMT on 17 July carries a report by Aleksandr Valiyev and Tatyana Selivanova: "The creation of a future model of European security is impossible without active participation of Russia, Yevgeniy Primakov, Russian Foreign Minister, and his Danish counterpart Niels Helveg Petersen, stated at a joint news conference here today.

"The Russian foreign minister noted that one of the future models represents European security as based on 'three pillars' — Russia, the United States and the European Community.

"Before the opening of the news conference the two ministers signed an Inter-Government protocol on a treaty and legal basis of the Russian-Danish relations. The head of the Danish Foreign Ministry noted that the signing of this document completed the large-scale work as a result of which all treaties between the two countries, beginning with 1923, were analysed.

"Yevgeniy Primakov spoke categorically against NATO expansion and the inclusion of the Baltic countries into this bloc. Niels Helveg Petersen referred to the decision of the Danish parliament which called to grant Latvia, Lithuania and Estonia equal possibilities for the entry into NATO just as other states. He also expressed concern in connection with the outburst of military operations in Chechnya.

"The Russian foreign minister stated that Moscow urged the Danish side to 'use all its influence' to improve the rights of the Russian speaking population in Estonia where the conditions the Russians live, were the worst as compared with other Baltic countries. Primakov noted he was 'satisfied with the reply' of the Danish minister on this issue.

"According to Petersen, at present a mission of the Organisation for Security and Cooperation in Europe (OSCE) is acting in Estonia, and a post of commissioner of the Council of States of the Baltic Sea for observing the condition of the Russian speaking minority has been set up.

"Niels Helveg Petersen, whose country will become chairman of the OSCE in 1997, expressed the hope to meet with Yevgeniy Primakov in Copenhagen the next year. Denmark, he said, will continue to implement large-scale projects of cooperation with Russian enterprises. Both sides spoke for the continuation of active political interaction, including in different international organisations."

Moscow INTERFAX in English at 1621 GMT on 17 July carries three "Diplomatic Panorama" reports:

"Russia and Denmark have some differences regarding international problems but agree on the main point: The creation of a comprehensive system of European security is impossible without Russia's active participation in this process, Russian Foreign Minister Yevgeniy Primakov said during his meeting with Danish Foreign Minister Niels Helveg Petersen. Both Russia and Denmark aim at strengthening European security and stabilizing the situation in the whole world, Primakov said.

"'Our views do not fully converge only with regard to the methods for achieving this goal,' he said.

"Russia and Denmark have no serious problems concerning their bilateral relations, Primakov said.

"'Some problems have not so far been resolved, but that's a matter of time,' he said.

"Primakov said he was entirely satisfied with his talks with the Danish foreign minister. 'Small countries, including Denmark, are becoming more and more important in modern Europe,' Primakov said.

"He explained this phenomenon in particular by the increasing role of 'international structures involving these countries.'"

Another INTERFAX report adds: "Speaking about the Chechen problem, Russian Foreign Minister Yevgeniy Primakov said that 'as before, Moscow pins its hopes on negotiations but it intends to repulse the tricks of extremists.' He said he had informed Danish Foreign Minister Niels Helveg Petersen of this.

"Petersen called on both parties to the Chechen conflict to create a settlement by peaceful means.

"While briefing Petersen on the situation in Russia in the wake of the presidential elections, Primakov said the results of the presidential ballot showed that democracy had firmly established itself in Russia.

"The fact that Russian reforms are supported not only by the authorities but also by the public guarantees that reforms are irreversible, Primakov said.

"This also makes our foreign policy more clear and more predictable, he said.

"This trend helps to develop cooperation and good-neighbor relations with foreign countries, including Denmark, Primakov said."

Another INTERFAX report adds: "Russia maintains the opinion that a coercive detention of Radovan Karadzic, leader of the Bosnian Serbs, may disrupt the elections

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in Bosnia and Herzegovina, Russian Foreign Minister Yevgeniy Primakov told a press conference on results of his meeting with Danish Foreign Minister Niels Helveg Petersen in Moscow Wednesday.

"Primakov said Moscow entirely backs the Dayton agreements and believes that one of the key factors for their implementation is the elections on Bosnia's territory scheduled for September 14.

"However, 'real hindrances which may postpone or disrupt these elections should be removed,' he said.

"He recalled that this position was, at that time, the basis for Moscow's support for Karadzic's decision to resign as president of Republika Srpska, the Serb-controlled half of Bosnia.

"Moscow 'has certain grounds to regard the activity of the International Tribunal on the former Yugoslavia in The Hague as extremely politicized and unequal in the areas where it must work,' Primakov said.

"Primakov said the International Tribunal's chairman had partially admitted these faults during their meeting in Moscow several months ago.

"Asked by Interfax whether Russia intends to detain Karadzic if it has the opportunity, he refrained from comment, saying he did not want to speak about such hypothetical situations.

"He proposed that one recall where 'the Russian forces are stationed in Bosnia and how this touches on the area in which Karadzic and others are to be found.'

"Petersen said that he had 'no grounds to criticize the tribunal.'

"'We are looking at it from different sides,' Primakov said in reply."

Russia: Primakov Departs for Indonesia To Attend ASEAN Forum

LD2007080596 Moscow ITAR-TASS World Service in Russian 1654 GMT 19 Jul 96

[By ITAR-TASS diplomatic correspondent]

[FBIS Translated Excerpt] Moscow, 19 Jul — Russian Federation Foreign Minister Yevgeniy Primakov left today for Jakarta to take part in the ASEAN regional forum on security and a number of other major international activities. [passage omitted]

Russia: Primakov, Indonesian Counterpart Discuss ASEAN Participation

LD2007210196 Moscow ITAR-TASS in English 2050 GMT 20 Jul 96

[By Andrey Bychkov and Viktor Khrekov]

[FBIS Transcribed Text] JAKARTA, July 21 (Itar-Tass) - Russian Foreign Minister Yevgeniy Primakov and his Indonesian counterpart Ali Alatas noted the importance of Russia's participation in the ASEAN forum as its full member.

In his meeting with Alatas on Saturday, the first in a series of meetings and talks to be held in Jakarta, Primakov stressed that the development of cooperation with Indonesia and ASEAN is one of the priority goals of Russia's foreign policy.

Both ministers discussed a wide range of issues "in a warm and constructive atmosphere," Russian Foreign Ministry chief spokesman Grigory Karasin told Itar-Tass.

Primakov invited Alatas to visit Moscow.

On Monday, Primakov will have a meeting with Indonesian President Suharto.

The Russian foreign minister is in Jakarta to attend the third ASEAN regional security forum and post-ministerial conferences with ASEAN partners.

ASEAN includes Brunei, Vietnam, Indonesia, Malaysia, Singapore, Thailand and the Philippines.

Russia: Primakov Discusses Moscow's Involvement With ASEAN

LD2007162996 Moscow ITAR-TASS World Service in Russian 1226 GMT 20 Jul 96

[By ITAR-TASS correspondents Andrey Bychkov and Viktor Khrekov]

[FBIS Translated Text] Jakarta, 20 Jul — Russia views ASEAN as one of the world's important associations for integration. Russian Foreign Minister Yevgeniy Primakov told journalists this as soon as he arrived at the Indonesian capital. He is to attend a series of major international functions next week under the auspices of ASEAN and will meet Indonesia's President Suharto.

ASEAN consists of Brunei, Vietnam, Indonesia, Malaysia, Singapore, Thailand, and the Philippines.

Yevgeniy Primakov said ASEAN believes that, by the beginning of the next century, the group will have been transformed from the present seven members to 10. It will have been joined by Cambodia, Laos, and Burma.

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The association will thus embrace all of southeast Asia. In a multipolar world, ASEAN will be one of the powerful poles.

"Russia is very gratified that it has been granted the status of permanent member of the dialogue with ASEAN, and we attach great importance to this," the minister emphasized. In the past three years, Russia has enjoyed the status of one of ASEAN's consultative partners.

On the whole, Yevgeniy Primakov noted, in the context of diversifying its foreign policy, Russia devotes substantial attention to the Asian-Pacific region, of which ASEAN is a very important and quickly developing part. "We will do everything in our power to see that our contacts, good interaction, and useful cooperation are extended," the Russian minister said.

Russia: Yeltsin Sends Message to Indonesian President on Ties

LD2207085496 Moscow ITAR-TASS in English 0816 GMT 22 Jul 96

[By Andrey Bychkov and Viktor Khrekov]

[FBIS Transcribed Text] Jakarta, July 22 (Itar-Tass) — Russia strives to boost cooperation with Indonesia, said President Boris Yeltsin in a message to Indonesian President Suharto.

The message was handed over to Suharto by Russian Foreign Minister Yevgeniy Primakov in Jakarta on Monday.

"I was instructed to convey to the Indonesian leadership Russia's intention to develop bilateral relation with Indonesia and the Association of South East Asian Nations (ASEAN) on the whole," Primakov told reporters after a meeting with Suharto.

Primakov heads Russia's delegation to an ASEAN regional forum on security in the Asia and Pacific Rim opening on Tuesday.

Russia: 'Modification' of Israeli Policy Urged

MM2207103196 Moscow TRUD in Russian 18 Jul 96 p 4

[Report by Andrey Stepanov: "Moscow and Cairo Check Their Watches. Russian-Egyptian Statement on Near East"]

[FBIS Translated Text] Egyptian Foreign Minister 'Amr Musa has been in Moscow on a three-day visit at the invitation of his Russian counterpart. He met with Security Council Chairman A.I. Lebed and State Duma Chairman G.N. Seleznev and held detailed talks with Ye.M. Primakov. A wide spectrum of questions was broached during the consultations — from the development of the Near East peace process and UN reform to regional cooperation.

At a press conference given by 'Amr Musa and Yevgeniy Primakov, a joint Russian-Egyptian statement on the Near East was made public which says, in particular, that Russia, as a sponsor of the region's peace process, and Egypt, as its initiator and a highly active participant, call on all the sides involved, especially Israel, to step up their efforts to overcome the obstacles that have arisen on the path to a just peace in the region. The basis for such a settlement has been created: This is the 1991 Madrid Agreements, the cornerstone of which is the principle of "land for peace," and the accords and specific steps that have already been achieved. This basis should not be subjected to revision.

This approach was underlined at the recent Arab summit in Cairo and at the G7 meeting in Lyon. Now Russia and Egypt have decisively supported the continuation of the Near East peace process. The main thing now, Yevgeniy Primakov stressed, is to preserve its momentum and not allow it to stall. "We are against holding a Madrid-2 conference at the present stage, because this would effectively wipe out what has already been achieved," the Russian minister said. "Israeli Prime Minister Netanyahu's statements cannot fail to put us on our guard: They clearly evince elements of the rejection of the basic principles of a settlement. But we will not be pessimistic: We hope that world public opinion and the stand of the major international organizations will lead to a modification in the current Israeli leadership's course."

'Amr Musa in his turn noted that the all-Arab conference in Cairo and the recent meeting of the foreign ministers of eight Arab states in Muscat (Oman) demonstrated the Arabs' resolute choice in favor of peace. "The rejection of the agreed steps toward a settlement on the pretext of individual terrorist acts carries a far greater threat to security and stability in the region than the extremists' actions, because it engenders despair, embitterment, and violence," the Egyptian minister observed. "Egypt is showing a highly balanced approach to the settlement process, but there are two principles we cannot waive: Israeli's departure from all the occupied Arab territories, and guarantees of the Palestinians' right to create their own state. From the United States, which President Mubarak will shortly visit, we expect honest, unprejudiced mediation."

The two ministers expressed support for Butrus Ghali's candidacy for a second term as UN general secretary. He has already been officially nominated by the African

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and Arab countries, and there is no other candidate. Washington, however, intends to veto his candidacy.

The sides agreed to continue consultations. In this context Yevgeniy Primakov is expected to tour the Near East in the fall; one of his ports of call will, of course, be Cairo.

Russia: PLO Executive Committee Secretary 'Abbas Ends Visit to Moscow

JN1907200596 Jericho Voice of Palestine in Arabic 1800 GMT 19 Jul 96

[FBIS Translated Text] Mahmud 'Abbas, secretary of the PLO Executive Committee, concluded an official visit to Moscow today. During the visit, 'Abbas held talks with Russian Foreign Minister Yevgeni Primakov and Deputy Foreign Minister Viktor Posuvalyuk.

At the end of the visit, a joint Palestinian-Russian statement was issued dealing with the periodical meeting of the joint working committee on the Middle East. The statement stresses the importance of coordinating efforts to resume Arab-Israeli negotiations. The statement defines the stands of the Palestinian and Russian sides on the peace process in the region. The statement adds that progress to achieve a comprehensive and just peace in the Middle East must be based on what was agreed on at the Madrid peace conference and must be in line with UN Security Council Resolutions 242 and 338 and the land-for-peace principle. The statement notes that the full implementation of the signed Palestinian-Israeli agreements guarantees the continuation of the peace process.

The final statement makes a clear and frank reference to the final settlement issue and legal status of the Palestinian territories, which should be the heart of active negotiations during the current stage.

The Russian side expressed its full support for the course of the PLO leadership. Political circles in Moscow view the establishment of the National Authority as an important step that represents the Palestinian people's legal path toward freedom of self-determination and the establishment of an independent state.

Russia: German Spokesman Says Germany Not Aware of Raduyev's Visit

LD1907111396 Moscow ITAR-TASS World Service in Russian 0956 GMT 19 Jul 96

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[FBIS Translated Text] Bonn, 19 Jul — "The German Foreign Ministry is not aware of Salman Raduyev's stay in Germany," a spokesman for the German Foreign Ministry said today when asked by ITAR-TASS to comment on the notorious terrorist's statement made on television on 18 July that after having been seriously injured Raduyev was taken to Germany to received medical treatment.

The German Foreign Ministry spokesman said that it was within the competence of the Ministry of Internal Affairs to investigate whether Raduyev arrived in Germany legally or illegally.

In her turn, a spokeswoman of the federal criminal department in Wiesbaden has admitted that Salman Raduyev could have been on a visit to Germany. She told ITAR-TASS by telephone that "Russia has not sent any preliminary official information to our department that Salman Raduyev is a terrorist and that his activities must be supervised. This is why he could have arrived and stayed in Germany using either an ordinary tourist visa or forged documents. Besides, to tell you frankly, it is quite complicated for us to determine what a 'Chechen terrorist' means because this is Russia's internal affair. Even if Russia has sanctioned Raduyev's arrest, Germany has not been advised of this in order to detain him here."

According to unofficial information obtained by ITAR-TASS, Salman Raduyev could have stayed in one of the numerous hospitals in Wiesbaden or Meinz. In particular, the university hospital in Meinz is regarded one of the best in Germany.

Russia: Gore, Chernomyrdin Sign Economic, Technological Documents

MM1907151896 Moscow FINANSOVYYE IZVESTIYA in Russian 18 Jul 96 p i

[Report by Aleksey Portanskiy: "Gore and Chernomyrdin Sign Nearly Thirty Documents and Promise Influx of New Investments Into Russia"]

[FBIS Translated Text] At the end of the seventh session of the Russian-U.S. Commission on Economic and Technological Cooperation held in Moscow 15-16 July, its cochairmen — Prime Minister Viktor Chernomyrdin and Vice President Al Gore — announced with satisfaction the signing of 27 joint documents opening up new horizons for cooperation.

They relate to such important spheres as the development of the stock market, support for small business, environmental protection, the campaign against industrial accidents and natural disasters, the construction of an international space station, and others. The implementation of certain projects, the latter in particular, is scheduled for the beginning of the 21st century. In Viktor Chernomyrdin's words, considerable progress has been

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made on the question of protecting intellectual property rights.

For Moscow, U.S. capital investment in the Russian economy or more accurately a massive increase in investment remains a crucial question in bilateral cooperation. Last year one-third of all foreign investments in Russia were American, Albert Gore recalled. In the past few years alone, Americans have invested $2 billion-$4 billion in our country (that is the most accurate estimate of foreign investments in Russia that is available). This is an extremely low figure for the Russian economy, which, according to our experts, needs approximately $50 billion in foreign investments annually.

As Vice President Gore stated at a news conference Tuesday prior to the U.S. delegation's departure for Moscow, Strobe Talbott, U.S. deputy secretary of state, has met with 300 U.S. investors to discuss the question of financing capital investments in Russia. At the meeting it was stated that the U.S. Export-Import Bank and the Overseas Private Investment Corporation are ready to provide billions of dollars of finance of this kind.

However, the Russian side is unfortunately not quite ready to activate the influx of foreign investments. There are still defects in our legislation as far as U.S. and indeed other investors are concerned, Vice Premier Oleg Davydov, a permanent participant in the commission's work, said in conversation with FINANSOVYYE IZVESTIYA. In particular, the recently adopted law on the division of output needs a major reworking. Our accountancy practice does not meet international requirements. State Duma deputies are going to meet with the Americans in the fall to hear their advice on improving the Tax Code.

Characterizing the work of the present session, Viktor Chernomyrdin said that of course certain differences of approach remain between the two sides in the approach to the solution of the problem of market access, the elimination of outstanding trade barriers, and so forth.

One of the longest-standing discriminatory barriers to the development of cooperation between the two countries is the Jackson-Vanik amendment. As Gore said, the President is able and willing [mozhet i khochet] to revoke this statute [as published]. However, the removal of an amendment from legislation is the prerogative of Congress, which is not prepared to agree to that at the moment.

Albert Gore did not explain the possible reasons for the U.S. legislators' cautious attitude toward lifting the remaining obstacles to exchanges between the United States and Russia. There is no doubt, however, that one reason is the war in Chechnya, which is continuing despite the Russian leadership's promises.

Russia: Conflict Over Missile Sale to U.S. Eyed

MM1907111996 Moscow IZVESTIYA in Russian 18 Jul 96 p 5

[Article by Viktor Litovkin: "Few Missiles Make It to America"]

[FBIS Translated Text] A conflict is brewing between the Ministry of the Defense Industry and Russia's military department. It centers once again on ultramodern weapons. These are the 3M-80 "Moskit" supersonic antiship missiles, better known in the West as the SS-N-22 Sunburn.

The Pentagon has proposed for the umpteenth time that the Russian Government sell it 100 of these missiles so that it can test its antimissile defense systems. The price offered is pretty sizable — $107 million. Deliveries would not take place straightaway but over five years — which would benefit both customer and supplier.

The 3M-80 "Moskit" is known to specialists as the only missile whose velocity over the sea at ultralow level (3-6 meters) exceeds Mach 2 (2,800 km/hour). It destroys ships not only with the power of its warhead (which is equivalent to 320 kg of TNT) but also with the power with which it hits the hull, totally penetrating it and exploding inside. Moreover, en route to the target the Sunburn can perform complex antimissile maneuvers, pulling loads of up to 10 joules [unit as published], which prevent it from being detected and therefore downed in time. All these features make the "Moskit" a very serious naval weapon, not least against aircraft carriers.

The plant which assembles the "Moskit" — the "Progress" Aviation Company named for Sazykin in Arsenyev in Maritime Kray — grabbed the proposed contract with both hands. The enterprise has been practically idle for two years. Its many thousand employees have not been paid for a long time. And the only way to save the production facility and help people in any way at all is to sell some of their "iron" for export if people want to pay real money for it.

The Arsenyev workers are supported by the "Raduga" Machine-Building Design Bureau in Dubna, where the "Moskit" was developed under the leadership of General Designer Igor Seleznev, and by Moscow's "Altair" State Science and Production Association, where the antiship missile's guidance system was produced on the initiative of Chief Designer Sergey Klimov. They believe that the funds earned from the Pentagon deal will allow us to continue work on new-generation shipborne weapons

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and to support associated plants which, like "Progress," are also in a critical condition. No ultramodern weapon can survive without components.

But naval seamen are resolutely opposed to the contract. What worries them is that the supersonic missile, which in terms of its tactical and technical performance is greatly superior to any of its world counterparts — including the famous Harpoon and Exocet — will be used as a target by people who used to be our likely enemies and are not yet our partners and that they will learn our many secrets and use the "Moskit" to develop their own system for targeting and destroying such missiles.

The most interesting point about this story is that under a Russian Government decree the "Moskit" — admittedly, the export version — has been cleared for sale abroad. And, as an add-on to the 1242.1 cutter export. But the Americans do not need our cutter. They know how to count their pennies and have no intention of paying for what they do not need. They only need a few Sunburn launchers to launch the missiles out to sea. Moreover, the 1242.1 cutter has not yet undergone state testing and is simply not ready for export. So why offer them a "pig in a poke"? Maybe it would be easier to remove these unnecessary restrictions and reach agreement with the customer on the goods that they want.

There is one other obstacle to which the military are clinging like an impenetrable shield. They say that a government decree prevents the shipment of 3M-80 missiles as targets. And that too is serious. But the manufacturers are objecting to this. They say that experience of working with the export version, with the homing warhead fitted to the "Moskit" disabled, is useless when the missiles in service with us are fired upon. The expert assessments obtained during testing by General Designer Seleznev bear out this conclusion.

While the manufacturers and the military are arguing about selling the "Moskit" to the Americans, the "Rosvooruzheniye" State Company — the Russian monopoly supplier for military hardware and arms exports — is keeping quiet. It gave me the following answer when I asked about its position regarding the contract: "We cannot comment on something that has not yet happened. There has not yet been any government decree on this issue, there is nothing to talk about."

Meanwhile, we have learned that the Americans are buying from Russia four supersonic all-weather Kh-31 missiles developed by the "Zvezda" Experimental Design Bureau. Also as a flying target. They are externally similar to the "Moskit," although they are primarily designed not for the antiship role but for destroying all types of radar stations, medium- and long-range surface-to-air missile systems including the Patriot, and electronic air defense early- warning and guidance systems. They can also be targeted against ships of up to 5,000 tonnes displacement, at a range of up to 100 km, and can be launched from any aircraft platform.

The Pentagon plans to test the missile in October-November this year, and if the GI's find it a success it cannot be ruled out that several dozen more Kh-31's could be sold to the Americans. However much certain generals may oppose military-technical cooperation between Russia and its former foe, life is forcing us to meet each other halfway.

Russia: U.S. To Help Russia Upgrade Control Over Nuclear Substances

LD2007110096 Moscow INTERFAX in English 1034 GMT 20 Jul 96

[FBIS Transcribed Text] MOSCOW, July 20 (Interfax) — U.S. experts will help develop the system for the registration and protection of nuclear substances at four Russian nuclear facilities in 1996, Lev Ryabev, Russian first deputy atomic energy minister, told Interfax.

The measures to upgrade Russian nuclear power plants will be implemented in line with the agreement reached by Russian Atomic Energy Minister Viktor Mikhaylov and U.S. Secretary of Energy Hazel O'Leary during the seventh session of the Russian-U.S. inter-government Commission for Economic and Technological Cooperation in Moscow, he said.

Under existing bilateral agreements, Russia and the United States are currently drafting joint projects to develop measures for the safe storage of nuclear substances at the nuclear facilities used for research activities in the area of the peaceful use of nuclear energy, Ryabev said.

In particular, U.S. equipment controlling the movement of nuclear substances will be supplied to Russian nuclear research centers, he said.

"Russia and the United States plan to develop cooperation for the registration and safe storage of nuclear substances, and control over nuclear substances," Ryabev said.

According to the Russian Atomic Energy Ministry, no weapon-grade nuclear substances have ever been stolen or declared as missing in Russia, Ryabev said.

Although in 1994 Germany seized at the Munich airport plutonium allegedly smuggled from Moscow, Germany has not made this substance available to Russian experts for an examination, he said.

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Such an examination by Russian experts would help to discover the plutonium's origin and establish where it was produced, Ryabev said, adding that Russia "is entirely open for cooperation in the area of control over nuclear substances."

Russia: St. Petersburg Protestors Picket U.S. Consulate

LD1907165196 St. Petersburg Fifth Channel Television Network in Russian 1555 GMT 19 Jul 96

[Video report by correspondent Sergey Moskvin; from the "Seychas" newscast]

[FBIS Translated Text] Representatives of the All-Russian Party of the Monarchist Center of St. Petersburg picketed the U.S. Consulate today to support Serb leaders' Ratko Mladic and Radovan Karadzic. Their protest was chiefly against what they see as the United States' aggressive policy toward Serbia. The picketers, who included simple passers-by and even one inhabitant of the city of Seattle who disagreed with the policy of his government, accused the Americans of persecuting their Orthodox brothers.

The chanting of slogans such as: "Yankees get out of Serbia!" probably attracted more attention among passers-by than the Consulate's staff. The small band of picketers failed to hand over a written protest and promised to send it in the post. The mini-demonstration lasted about 30 minutes, after which the patriotic forces of Russia split up to return to the business of everyday life.

Russia: Former KGB Resident Views Recruitment of U.S. Spy

LD1907172696 Moscow ARGUMENTY I FAKTY in Russian No. 29 Jul 96 (Signed to Press 16 Jul 96) p 8

[Interview with Boris Solomatin, former KGB resident, by Dmitriy Makarov; place and date not given: "Spying Classic"]

[FBIS Translated Text] *"This person caused serious unpleasantness everywhere he worked. He is probably regarded as one of the best operatives who ever worked for the KGB" — this is what the U.S. WASHINGTON POST MAGAZINE wrote about Boris Solomatin, citing the views of the heads of the American special services.*

John Walker, chief petty officer of the American Navy, knocked at the door of the Soviet Embassy in Washington in October 1967 and requested a meeting. After a two-hour meeting the KGB resident, [Boris] Solomatin was convinced that Walker really did want to work for Soviet intelligence. He was not mistaken. For 17 years, Walker delivered extremely valuable information to Moscow.

[Makarov] Walker was like manna for you, he came to the embassy himself and offered his services. Were you taking some kind of risk with him?

[Solomatin] It was a tremendous risk for the residents because for every "honest volunteer" there were dozens and even hundreds of rogues and provocateurs sent by counterintelligence. One had to sort them out quickly and without making mistakes, otherwise controversies and the expulsions of intelligence officers were unavoidable. I took responsibility for them in complicated and promising cases and talked to them myself. That is how Walker appeared.

[Makarov] But Walker was only a chief petty officer in the U.S. Navy, not even an officer, yet the Americans called him "the agent of the century."

[Solomatin] It is not a matter of his title or high rank. With his career as head of the cyphering bodies and keeper of the coded materials for the commanders of U.S. Navy submarines in the Atlantic at Norfolk, among others, he had access to particularly important documents, which were outside the competence of the admirals and were of greatest interest to us — everthing that was connected with codes, ciphering machines, and the most secret systems of communications on all levels.

The Americans think that if an armed conflict had broken out between the USSR and the United States at that time, we probably had a greater chance of winning.

It is important that, when he left the Navy, he set up a network of agents which worked just as actively for us.

[Makarov] What bait was best for "catching" foreigners: ideological or material bait?

[Solomatin] Up until 1956 ideological supporters helped us particularly extensively, when the cult of Stalin had been debunked; later on most people were recruited for material rewards. Although working as an agent for a foreign power is extremely dangerous, it is a sufficiently rapid way of earning money.

If the material obtained is precisely what you are interested in, an agent will get, let us say, $4,000 a month. This is precisely what Walker earned. But it was money that was his downfall. He allowed himself, for example, to purchase a small airplane, a plot of land in California, a houseboat, a yacht, and so forth. This was a chief petty officer with a wage of $800 a month.

Experience shows that the agent's sense of vigilance unfortunately became dulled. After he has worked for a few years, a person decides that he is invulnerable, he

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relaxes, loses his self-control, and this is where the path to his downfall starts.

[Makarov] Was Walker the biggest agent that you recruited?

[Solomatin] Yes, if you have a success like that, it only happens once in a few decades throughout the intelligence service. Understanding the damage that Walker had inflicted on the Americans, Y. Andropov was ready for an extremely acute reaction on their part, if he were to fail. That did, however, happen after his [Andropov's] death. President Reagan did indeed react very dramatically. After Walker's downfall, 25 Soviet diplomats were expelled in 1985, on his instructions.

[Makarov] It is the task of the intelligence service to obtain secret information. But how the state structures perceive this information is important, too.

[Solomatin] As a rule, our intelligence information is assessed highly. There have, however, been occasions when it has distressed us. I will cite one example.

By the end of 1974-beginning of 1975 it became clear that the relaxation in mutual relations with the United States was coming to an end for a number of reasons. At the beginning of 1975 I sent a telegram in which I reported that we should prepare for a new, less pleasant stage in Soviet-U.S. relations. I tried to indicate the reasons for what had happened and what needed to be done in the situation that had taken shape. I found out later that Y. Andropov had agreed with my analysis, and a note, based on the contents of the telegram was sent to L. Brezhnev personally. The note was returned with the following resolution on it: "Who permitted the party's general course in foreign policy to be examined?" Soon after that, when the note was returned to the First Main Directorate [PGU] with a top-level resolution on it, I returned from New York as well. They talked to me on different levels and convinced me how much we needed relaxation. I replied that I had fought at the front [World War II] and that I was well aware what war meant, but, as a resident, I was obliged to report my view of the situation, no matter how unpleasant it was for the leader. My job was to provide information. It was up to others to make decisions.

The fact was that Brezhnev was becoming increasingly senile by that time, and he either could not or did not wish to understand why things, including foreign policy, were not going as he wanted them. The clique surrounding him (first and foremost Yu. Andropov's deputies, Tsvigun and Tsinev) guarded him in every possible way from unpleasant issues that would cause him stress.

[Makarov] They say that the CIA gleans from 70 to 80 percent of the material it needs from non-classified materials. What about us?

[Solomatin] Unfortunately, they do not always pay sufficient attention to this.

When I was in India at the end of the 1950's, I carried out analytical work while sitting in my office, which led to the conclusion that, even without the help of their Cold War adversaries, the Americans failed in a major way. The main reason is the idiocy of American bureaucracy. This is what happened. The U.S. diplomacy department [State Department] did not have any special love, to put it mildly, for the CIA, which compiled publicly accessible handbooks listing its diplomatic institutions throughout the world.

It put a mark by the names of the intelligence officers mentioned in it, branding them as seconded to the State Department.

It was usually considered a great success to pick out two or three intelligence officers in an embassy (as a rule, presumably). But here many hundreds of names of CIA staff members who were actually operating were known to us, as well as their places of residence, posts, and ranks.

[Makarov] Over the last few years it has been fashionable to use the term "agent of influence" in the press. The communist press referred to Aleksandr Yakovlev and Mikhail Gorbachev as such agents of the West. The information crept in that in their time Indira Gandhi, Jamal Abd al Nasir, and Yasir 'Arafat were Soviet agents of influence.

[Solomatin] Such an official term does indeed exist. This means that people like this exist, too. As a rule, they really can influence or even independently make political decisions that are advantageous to those who deal with them. But, by no means all the time, and maybe it is hardly ever a question of recruitment in the classic sense: you do this for me, and I will give you some money. The agent of influence frequently appears because he espouses a similar ideology or there is a coincidence of interests in a certain period and a certain situation. I do not believe that in major agents of influence that have been recruited, bearing in mind the complete dependence on us.

You referred to Indira Gandhi. I met her many times. So what? The interests of state coincided, so only a person who wants to get himself a medal could call her "an agent of influence." In actual fact, what she did was beneficial to us; what we did was beneficial to her.

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[Makarov] Boris Aleksandrovich, you are retired now. What is life like for you?

[Solomatin] When special services' staff in the West retire, they get 90 percent of their wages from the moment they leave work, and the likes of me get no more than 40 percent. This makes me recall a witty television commercial where the tsar learns from his guard: if you do not want the swans to fly away, feed them more often.

I am still sitting and patiently waiting for some kind of medal from the U.S. authorities for my contribution to preventing a war between the USSR and the United States. For the Americans think that their agent in the USSR, [Oleg] Penkovskiy, saved the world from nuclear war by passing important military strategic information to them.

Proceeding from this logic, why should one not regard equally as peace-makers the agents I recruited from among the Americans who supplied us with more important information than Penkovskiy supplied? You see, with their help the Soviet leaders knew more and more exactly about the Americans' intentions and actual situation, which was possibly one of the factors in preventing war as well. So we just kept waiting.

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Political Issues

Russia: Chernomyrdin Urges MP's To Keep Firm Grip on Government

LD1907145896 Moscow ITAR-TASS in English 1440 GMT 19 Jul 96

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, July 19 (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin who met members of Russia's Regions group on Friday, came out for the State Duma "keeping a firm grip on the government," a source from the prime minister's entourage told Itar-Tass.

Chernomyrdin also came out for closer interaction between the government and the State Duma. Chernomyrdin believes that "there is no clear-cut structure of well-established contacts and mechanisms demanded in the present situation."

The prime minister, who is leader of the Russia Is Our Home movement (NDR) is not satisfied with the activities of the NDR faction in parliament. In his opinion, the faction behaves "in an excessively pro-government and disciplined manner, while uniformity is an obstacle in the State Duma."

Chernomyrdin criticised the NDR faction and its leaders for "insufficient activity in strengthening contacts between the State Duma and the government." In particular, the prime minister noted that he learns much about the positions of Duma lawmakers and the policy of the lower house of the parliament when he meets deputies from other factions and groups.

Asked about a possibility of Grigoriy Yavlinskiy being included in the government, Chernomyrdin stressed that "Yavlinskiy is a strong economist, but his character and ambitions work against him." The prime minister expressed strong doubt that the leader of the Yabloko faction would work in the new Cabinet.

During the meeting with members of Russia's Regions group, Prime Minister Viktor Chernomyrdin said that the concept of the future budget envisages cancellation of taxation privileges and also considerable reduction of the budgetary deficit at the expense of higher tax proceeds. Next year, a special emphasis will be laid on this, the prime minister stressed, adding that "it is necessary to save the year 1997."

According to Chernomyrdin, a decline in taxation revenues in May-June was caused "by a general belief that no one would tighten screws" before the elections. Now, we intend to do so."

The prime minister said that a special headquarters was set up which would supervise the activities aimed at raising tax proceeds, "using the strictest measures."

Russia: Chernomyrdin: Government To Include 3 First Deputy Premiers

LD1907121896 Moscow INTERFAX in English 1151 GMT 19 Jul 96

[FBIS Transcribed Text] Moscow, July 19 (Interfax) — There will most probably be three first deputy prime ministers in the Russian government, Russian Prime Minister Viktor Chernomyrdin is reported to have said Friday at a meeting with members of the Russia's Regions parliamentary group.

Chernomyrdin said that the first deputy prime ministers will look after the social, financial and economic, and industrial issues, a source in his entourage told Interfax Friday.

The source did not rule out the possibility that a fourth first deputy prime minister will look after the defense industry.

Chernomyrdin is reported to have said that deputy prime ministers will look after the agriculture and mass media.

There will be 50 to 60 agencies in the government in place of the current 96, he expects.

Chernomyrdin said reportedly that some State Duma members must be made members of the government.

A return of former First Deputy Prime Minister Oleg Soskovets, who was fired by President Boris Yeltsin in June, is out of the question, he said.

Future ministers will have to give up their partisan bias, Chernomyrdin said.

After the parliamentary vacation, he will tell the State Duma about the country's economic situation and the outlook for the coming four years, he said.

Numerous items of the government's economic programs have to be cleared with Yeltsin, Chernomyrdin said.

Russia: Third Figure Expected To Balance Chernomyrdin, Chubays

MK2007120796 Moscow KOMMERSANT-DAILY in Russian 20 Jul 96 p 3

[Report by Natalya Koposova: "The Selection and Arrangement of Priorities and Cadres"]

[FBIS Translated Excerpt] This week political and financial circles have been worried over who in the renewed Security Council will be responsible for economic security, and what lines of economic security

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will be declared priorities. Therefore Aleksandr Lebed's appearance in the Federation Council, at Thursday's [18 July] parliamentary hearings on economic security, commanded special attention. [passage omitted]

Nothing was said at the hearings about who will be responsible for economic security or what the priorities in this sphere will be. After the cadre battles that followed the president's edict on the Security Council, Lebed decided for the time being not to touch on the "sensitive question." Meanwhile these questions are being aired in his inner circle and in the smoking rooms of the [Russian] White House and the presidential administration. Thus, shortly before General Rodionov was appointed defense minister, sources in the government staff said that Chernomyrdin had, after all, managed to take off the agenda the question of Sergey Glazyev's presence in the Lebed department. Rodionov's appointment confirmed this theory: A concession to the general was made, and [giving a post to] Glazyev is just too much. But at this point a new theory was born: The general has taken a wait-and-see position, playing his own game. With the current alignment the appearance of Glazyev, quite the contrary, is more likely than earlier. The case in favor of this theory seems, at first glance, paradoxical: Glazyev's appearance is suitable to many. The emergence of friction between Chernomyrdin and Chubays is practically inevitable, and in this event either would benefit from the presence of a third rival side. Theory-making is an interesting occupation. Yet this third figure could be somebody quite different.

Russia: Chernomyrdin Reduces Number of Deputy Premiers

LD1907132196 Moscow ITAR-TASS in English 1247 GMT 19 Jul 96

[By Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow, July 19 (Itar-Tass) — The future Russian government will have seven deputy prime ministers, including three first deputy prime ministers in charge of the economic, social and industrial blocks of problems, Prime Minister Viktor Chernomyrdin said at a meeting with the Russian Regions parliamentary group on Friday.

Until recently he had 10 deputy prime ministers, including three first deputy prime ministers.

According to Chernomyrdin, the prime minister will have, perhaps, the fourth first deputy prime minister in charge of arms-manufacturing enterprises. Deputy prime ministers will be in charge of agrarian problems, the mass media and the "federal security ministries," which are directly subordinated to the president. Chernomyrdin said as well that it was planned to dramatically reduce the number of ministries and institutions. There will be 50 to 60 of them, instead of 100.

Chernomyrdin stressed that "a coalition government is not for today's Russia." "We should rule out any possibility of creating a situation, in which a representative of this or that group or party joins the government and starts upholding his party interests.... The president won the elections, and he has full moral and legal right to personally appoint all members of government," he said. The president plans to invite some MPs to take part in the work of the government, he added.

Chernomyrdin said that he was going to address deputies to the State Duma immediately after their return from the summer recess and make a report about the socio-economic situation of Russia and its prospects for the next four years.

Responding to a question of one of the MPs, Chernomyrdin "emphatically rejected any possibility of a return to the government of ex-first deputy prime minister Oleg Soskovets."

Russia: Chernomyrdin To Take Tough Action To Improve Tax Collection

LD1907122496 Moscow INTERFAX in English 1205 GMT 19 Jul 96

[FBIS Transcribed Text] Moscow, July 19 (Interfax) — The Russian Government will have to take tough measures and tighten up tax collection, Russian Prime Minister Viktor Chernomyrdin said as he met with members of the regions of Russia group of deputies, according to a source close to the prime minister.

Chernomyrdin said that May and June saw a certain decline in tax collection. At the same time Chernomyrdin said that in terms of macroeconomic parameters, the government stayed within the limits of the program agreed with the International Monetary Fund (IMF). He remarked that at the recent talks IMF officials reacted with understanding to slight deviations from that program.

Chernomyrdin said that the main target of next year's budget concept was to avoid exceeding the parameters set for 1966. He declared the government's intention to cancel a number of tax benefits in the economy.

Chernomyrdin said that the chief task of the Cabinet was to eliminate the May-June tax collection shortfall.

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Russia: Yeltsin To Sign Package of Anti-Corruption Decrees

LD1907123996 Moscow ITAR-TASS in English 1237 GMT 19 Jul 96

[By Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow, July 19 (Itar-Tass) — President Boris Yeltsin plans to sign soon a number of additional decrees, aimed at eradicating crime and corruption.

Their drafting will be completed soon by the Security Council jointly with the staff of the Russian Government, Prime Minister Viktor Chernomyrdin said at a meeting with the parliamentary group Russian Regions on Friday. The meeting was held at the government headquarters.

The work on the draft decrees is being supervised by Security Council Secretary Aleksandr Lebed.

Russia: Medvedev Says Yeltsin Spends Time Watching TV in Sanatorium

LD2107183896 Moscow Russian Television Network in Russian 1600 GMT 21 Jul 96

[From the "Zerkalo" program]

[FBIS Translated Text] [Svanidze] Boris Yeltsin is now resting. Sergey Medevedev, the president's press secretary, speaks about Yeltsin's way of spending his time.

[Begin recording] [Medvedev] [video shows Medvedev being interviewed in the street] In this particular case, at the moment he is in a sanatorium. He needs to undergo a routine that will put him back on his feet, and the doctors are looking after that. Seizing the opportunity — the president is in their hands! — they will do everything they can in the situation, that is, they will carry out all the necessary tests, examinations, and so on, in other words, everything that is done in such instances when anybody, even an ordinary citizen, finds himself in a sanatorium. Since in this case it is a president, all attention is on him.

[Unidentified correspondent] Does he watch television?

[Medvedev] Yes he does.

[Correspondent] What programs?

[Medvedev] Mostly news.

[Correspondent] On all the channels?

[Medvedev] He is trying to watch the first channel [Russian Public Television First Channel] and the second [RTV], as well as other programs but mainly he watches news. He goes to bed at about 2300, at least during this week.

[Correspondent] Does he watch films?

[Medvedev] He would watch practically any films, both recent and old that he has not seen.

[Correspondent] What genre does he prefer — melodrama, action, comedy?

[Medvedev] He would watch any genre, provided the film is well made. If it is an action film, it should be full of tension and suspense, then Boris Nikolayevich will watch it. But if the film is obviously bad, Boris Nikolayevich may simply [makes a gesture of switching off]. [end recording]

Russia: Duma Speaker Warns Against Forming 'Second Parliament'

LD1907132796 Moscow INTERFAX in English 1256 GMT 19 Jul 96

[FBIS Transcribed Text] Moscow, July 19 (Interfax) — State Duma speaker Gennadiy Seleznev has warned the newly formed presidential Political Consultative Council against attempts to substitute for parliament.

"If that does happen, we shall take the case to the Constitutional Court or pass appropriate legal acts. Russia does not need a second parliament," Seleznev told a news conference in Moscow on Friday.

He warned President Yeltsin against establishing a new parliament outside the old one. Seleznev has no idea why the office of the consultative council chairman looks so lucrative to State Duma deputy Ivan Rybkin. "This chair has thorns, I can feel them from here," Seleznev said.

Asked about the State Duma's attitude to the president and his policy, Seleznev replied: "We seek constructive cooperation with the president. However, Duma members are reluctant to line up and yell 'Yes, your Majesty.'"

Asked about attempts by a number of law-makers to form a coalition in the State Duma to oust the speaker, Seleznev said: "Some not quite right and honorable deputies have been trying to stage a mutiny in parliament. They would have long ago succeeded if they had more power."

Seleznev said that the Communist Party faction was going to take some deputies who claim that part of the State Duma's money was spent on Gennadiy Zyuganov's campaign to court on slander and defamation charges.

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The speaker of the house avoided mentioning any names, though. Many observers believe that Political Consultative Council chairman Ivan Rybkin would be the likely target of the law-suit. Rybkin has said in public more than once that the Communists spent the State Duma's money on the Communist leader's election campaign.

Russia: 'Exclusive' Interview With State Duma Chairman

LD2107183796 Moscow Russian Television Network in Russian 1600 GMT 21 Jul 96

[From the "Zerkalo" program]

[FBIS Translated Text] [Studio announcer Nikolay Svanidze] The Russian State Duma of the sixth convocation ended its first session last week. State Duma Chairman Gennadiy Seleznev gave an exclusive interview to our program.

[Begin recording] [Svanidze] You let it be understood quite clearly, Gennadiy Nikolayevich, that in your view, and your view is not that of a private individual, but Duma chairman, the Duma should be loyal toward Viktor Chernomyrdin's candidacy. Do you still think so?

[Seleznev] Well, judging by Viktor Stepanovich statements that the current policy of reforms will undergo in-depths changes, that the government does, at long last, intend to pursue a vigorous welfare policy and put a halt to the practice whereby people are working for no wages, there are surely some specific measures that the government intends to take and that the prime minister will report on in due course, given this situation he will, I think, gain a majority in the Duma, of between 260 and 280 deputies, not a bad majority either. Viktor Stepanovich Chernomyrdin, the current prime minister, can get this sort of majority in the Duma.

[Svanidze] There is an impression that the Duma has somewhat hardened its attitude toward Chernomyrdin and toward cooperating with the future government, following the president's appointment of Anatoliy Borisovich Chubays as head of his administration.

[Seleznev] There are various points of view regarding this appointment. Many people could not quite understand this unexpected appointment, because Anatoliy Borisovich Chubays said he had completed his work, he would not be a member of the government, he would not work with the president, he had other plans.

You know that the Duma voted three times to have Chubays removed from his post as first deputy prime minister. Essentially he will not have anything to do with the Duma now. He will now have to establish relations with the heads of administrations, which essentially means the Federation Council, as the heads of administrations sit there. New issues may of course emerge here, but I do not think that the government will have an easy task either, because Anatoliy Borisovich is by nature an active man and I do not rule out his interference in the government's work. If it happens often and if a mutually acceptable, working formula demarcating the various remits fails to be arrived at, I think that conflicts may arise against this backdrop. But this is a matter for the prime minister, to reach a consensus with the head of the presidential administration and the president himself on how they are to cooperate with one another. As far as his official duties are concerned, Anatoliy Borisovich should, at the very least, refrain from any direct interference in the work of the government, but life will show.

[Svanidze] Gennadiy Nikolayevich, how would you now appraise your working relationship with the president, the prime minister, and the head of the Federation Council?

[Seleznev] If we are to use our school system of grades, our relations with the Federation Council are good, with the government sufficient, and with the president barely sufficient, surely.

I would like very much, especially now, to have a chat with the president, so that he might find the time to read the Land Code. I find it very regrettable that even though the Duma has endorsed it in three readings, and even though we have not yet had the time to send it on to the Federation Council, Boris Nikolayevich Yeltsin already says he will not sign it. There is nothing terrible in it, it is a normal land code, and I am convinced that if he looks at the chapters to which some people object, he will agree with us.

[Svanidze] He has not seen them yet?

[Seleznev] I do not think so. [end recording]

[Svanidze] Judging by all, the relations between the Duma speaker and President Yeltsin leave something to be desired. Boris Yeltsin is hardly likely to forgive Gennadiy Seleznev for his political disloyalty and the active participation in Gennadiy Zyuganov's election campaign. In his own way, Seleznev is consistent, but he has no other way out.

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Russia: 'Itogi' Views Lebed's 'Special Relationship' With Inkombank

LD2107210096 Moscow NTV in Russian 1700 GMT 21 Jul 96

[From the "Itogi" newscast]

[FBIS Translated Excerpt] [Announcer Yevgeniy Kiselev] The despairing inhabitants of the Maritime Territory appealed to Aleksandr Lebed, the secretary of the Security Council, to look into the situation with the power crisis in the Far East. However, this appeal was not considered at the hearing into economic security problems in the Federation Council in which Lebed played a most active part. [passage omitted]

Naturally Lebed also touched on the cost of privatization in his report. Among other things, he spoke of the need to review the results of a number of security auctions. The concern of the secretary of the Security Council is understandable. After all, the press has been full of reports on the imperfection of the system used for these auctions. Nonetheless, there is one circumstance that causes alarm. One of those actively seeking to have the results of certain security auctions involving shares in the country's largest enterprises reviewed is Inkombank of Moscow, one of the country's largest commercial banks. It is no secret that Lebed has frequently expressed his intention to make Vladimir Groshev, chairman of the bank's supervisory council, the deputy secretary for economic affairs of the Security Council. Furthermore, the new head of the secretariat of the Security Council is a Mr. Staroushko [name as heard], also until recently an important employee of Inkombank.

Informed sources claim that the secretary of the Security Council this week summoned Konstantin Shur [name as heard], the head of the board of the Central Bank of Russia for Moscow, and demanded that he put an end to leaks of information casting aspersions on Inkombank. We are talking about the numerous conflicting reports on the situation of Inkombank in recent days, which were subsequently denied by official sources. That in turn provoked new reports.

The same sources claim that Lebed phoned Aleksandr Smolenskiy, the head of Stolichnyy bank, one of the co-owners of KOMMERSANT DEYLI newspaper, and demanded an end to reports on the situation of Inkombank.

Head of Inkombank himself, Vladimir Vinogradov, was invited for some reason to the hearings in the Federation Council, essentially as chief expert on problems of economic security, although he used his speech mainly to attack the media, accusing them of subjectiveness and bias with regard to his bank.

The news about the special relationship between the secretary of the Security Council and Inkombank give rise to serious concern in that tomorrow [22 July] the Supreme Court of Arbitration will rule on the dispute over the outcome of one of the key securities auctions — the auction of shares in Sibneft, the country's largest oil company. Inkombank lost the dispute in December and naturally it is pressing for the decision to be reviewed. What's at stake here is not the fate of the specific company in question: If Sibneft is handed over to Inkombank then it will essentially be the first precedent [as heard] for reviewing the results of securities' auctions. That in turn may promote a wide-ranging redivision of property in the country and that in turn may destabilize the economic situation in Russia, thus undermining the aspect of national security about which Lebed spoke in his report.

With all respect to Gen. Lebed, it is clear that he is not an expert on the finer points of finance, banking, and privatization, and that he relies to a large extent on the people he chooses as his advisers on these matters. He is, of course, free to choose these people but one important question arises: Does the secretary of the Security Council realize, is he aware that he or, in any case, his name, is possibly being used in a struggle between rivals?

Russia: Lebed Meets Patriotic Organizations Union Representatives

LD2007150696 Moscow INTERFAX in English 1329 GMT 20 Jul 96

[FBIS Transcribed Text] MOSCOW, July 20 (Interfax) — Aleksandr Lebed, Russian Security Council secretary and presidential adviser on national security, on Saturday [20 July] met with representatives of the Union of National and Patriotic Organizations of Russia, the Union's press service told Interfax.

Those at the meeting considered the situation in the country after the presidential elections and interaction between the Russian Security Council and the Union for the settlement of political problems, the same source said.

A representative of the Russian Security Council confirmed that such a meeting took place but gave no details.

Russia: Primakov Made Russian 'Ambassador Extraordinary'

LD2007114796 Moscow ITAR-TASS World Service in Russian 1002 GMT 20 Jul 96

[FBIS Translated Text] Moscow, 20 Jul — Russian President Boris Yeltsin has issued an edict conferring

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the rank of ambassador extraordinary and plenipotentiary on Russian Foreign Minister Yevgeniy Primakov, the head of state's press service reported today.

Yevgeniy Primakov was appointed foreign minister in January of the current year. He previously headed Russia's Foreign Intelligence Service.

Russia: Chubays Said To Represent Business Interests in Kremlin

LD2007102496 Moscow INTERFAX in English 0944 GMT 20 Jul 96

[FBIS Transcribed Text] Moscow, July 20 (Interfax) — One of the main functions for Anatoliy Chubays in the Kremlin is to represent domestic business interests, the weekly Interfax-AiF writes.

It is an open secret that after his resignation from the cabinet, the former first deputy premier has staged a comeback to the top as the coordinator of influential bankers actions in support of President Yeltsin's re-election. It is not ruled out that Yeltsin invited Chubays to the Kremlin to finance the loyal part of the regional elite at the forthcoming local elections of local administration chiefs, and that invites a conclusion that Chubays' Kremlin career will not last long.

However, the Kremlin-big business partnership should be viewed in a longer prospective. It is the domestic bankers who must make the initial contribution to the economic growth that Yeltsin pledged to his voters. Chubays will be needed as a link between the president and big business for at least one year. After that a lot will depend on whether the masses will appreciate his new image, Interfax AiF writes.

Russia: Zhirinovskiy Says Gore Appointed Chubays

LD1907170196 ARGUMENTY I FAKTY in Russian Jul 96 No 29, (signed to press 16 Jul 1996) p 5

[Interview with Gennadiy Burbulis, Anatoliy Lukyanov, Vladimir Zhirinovskiy, and Boris Sergeyev, by correspondent Andrey Stiskin; date and time not given: "The Snow has Melted, Chubays has Flowered" in the "Sometimes They Return" column]

[FBIS Translated Text] [Stiskin] Back in May ARGUMENTY I FAKTY wrote: The star of Nikolay Yegorov may wane, and then Anatoliy Chubays will lay claim to the place of the head of administration (ARGUMENTY I FAKTY, No. 20, 14 May). At that time, Chubays was offended at us. He said that we wanted to make him quarrel with Yegorov. But we turned out to be right.

Now, we are trying to make some more assumptions. The people the ARGUMENTY I FAKTY correspondent talked to discuss the significance of Chubays promotion for all of us and for the country.

[Gennadiy Burbulis, State Duma deputy and former secretary of state of the Russian Federation] The decision of the president may be defined as a surprise that was to be expected. Chubays is a figure belonging to the new political formation. This means that the president's right hand is a person who is drawing up presidential decisions in a system of democratic, lawful values. One can say that with Chubays there will not be any combinations in the spirit of "let's have a state of emergency instead of the elections — that will be more reliable." It will be good if the organizational abilities and phenomenal purposefulness of Chubays somehow restores or improves the activity of authority itself.

I am a bit frightened by the talk of a financial oligarchy coming to power, of bankers entering the Kremlin with Chubays. In the final count, it is peace and calm in their country that is beneficial to them. But this supposition, which is quite natural in relation to Chubays is shattered against the reality that is Boris Yeltsin's personality.

For all that, the internal conflict inherent in this appointment is causing alarm. If ambiguities remain, if there will again be attempts to return to an imperious style of leadership, and the office and powers of Chubays allow this to happen, we may get a new and much worse variant of the all-powerful super favorite.

[Anatoliy Lukyanov, chairman of the committee for legislation of the Russian Federation State Duma, deputy] From my point of view, the appearance of Chubays in the immediate circle of the president is not the most rational step at the moment. This is because Chubays is not popular among the people, in the representative bodies, and among a considerable number of politicians. Thus, a shadow is cast on the president himself to a certain extent.

If there is a further heating up of relations between the president and the opposition factions, it seems to me that that does not fit in at all with the president's program of preventing a division between the "reds" and the "whites." It is also known that Chubays takes a one-sided view of the opposition parties and the opposition factions. It is therefore hard for me to say what the president was guided by when he appointed a person with those views, who takes such a stand, to such an important post in his circle.

[Vladimir Zhirinovskiy, leader of the faction of the Liberal Democratic Party of Russia of the Russian Federation State Duma] With this appointment the president showed his inconsistency, his weakness and lack of desire to somehow influence political life. He is

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giving up everything: Generals, posts. He does exactly what Al Gore says. Gore is supervising our country. It was precisely the U.S. Vice President who appointed Chubays head of administration and first aide to the president. This is disgusting because we have turned into a semi-colony. Even in Africa Gore does not arrive to appoint the presidential administration.

Chubays said that the voucher was the value of two Volga cars. You and I do not even have the wheels of those Volgas. That was a great act of provocation against our All-Russian property.

If Korzhakov and Barsukov had come to the president an hour earlier, Chubays' head would have gone flying. The generals were late. They had strong authority behind them and thought there was no need to hurry. But Chubays was smarter and got there earlier.

[Boris Sergeyev, Candidate of Sciences (Economics), head of the analytical group of one of the leading banks] Reforms were lacking in political will over the last five years. There were some individuals, who were pushers of reforms. Chubays was one of these pushers. One may not like and may not agree with him, but he always sees through the issues that he tackles.

Many people get into a fury over vouchers, saying that they are a lie, there to deceive people. But even if it is a lie, it is a brilliant lie, which has made it possible to avoid civil war. He carried out a grandiose measure, perhaps the most grandiose measure in this field, in peace, and did it without a hitch. He weaned people off the idea that everything is centered on the collective farm, that everything is centered on a draw, he introduced the very principle of private property into the life of a huge country.

The most important thing that one can expect from him now is that the reforms will go ahead purposefully.

Russia: Stepashin, Mikhaylov 'Sure' Duduayev Not Alive

LD1907150196 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 19 Jul 96

[Video report from the "Novosti" newscast]

[FBIS Translated Excerpt] At a news conference today, Sergey Stepashin, chief secretary of the State Commission for a Settlement in Chechnya, said he was absolutely sure that Dzhokhar Dudayev was not alive. Nor does he believe that it was really Raduyev speaking in front of the cameras on the previous day, and swearing on the Koran that Dudayev was alive.

[Begin recording] [Stepashin] I will not refer to the Koran, but I can tell you that I am absolutely sure that Dzhokhar Dudayev is not alive. [end recording]

[Correspondent Aleksandr Onosovskiy] According to Sergey Stepashin, Raduyev made his statement only in order to draw attention yet again to himself, and it was, undoubtedly, a tactical ploy.

[Stepashin, monitored in progress] ...so that those who today support the illegal armed formations or bandits like Raduyev can believe that Dzhokhar is alive, Dzhokhar will come, so let us go on fighting the infidels.

[Onosovskiy] In fact, the activities of such representatives of international terrorism as Raduyev and Basayev, who do not, in effect, follow the orders of either Maskhadov or Yandarbiyev, now constitute one of the principal and most serious problems, from the point of view of resolving the military and political issues in Chechnya.

[Stepashin] They are independent, active and extremely dangerous terrorist forces that have to be fought within the framework of the principles and rules accepted by international practice and signed, incidentally, by Russia, you remember, at the recent summit. [passage omitted]

[Vyacheslav Mikhaylov, commander of the group of federal forces in Chechnya] The president's peace plan is in operation. We are ready for further talks, but exclusively in the context of the accords of 27 May, signed in Moscow, and the accords signed in Nazran.

[Onosovskiy] The first step has already been taken. There will shortly be a meeting between Anatoliy Kvashnin, commander of the forces of the North Caucasus military district, and Aslan Maskhadov, chief of the Chechen separatists' main staff. [end recording]

Russia: Former Heads of Soviet, U.S. Intelligence Interviewed

LD2007230296 Moscow Russian Television Network in Russian 1800 GMT 20 Jul 96

[From the "Double Portrait" program]

[FBIS Summary] This 50-minute program includes interviews with former heads of Soviet and U.S. intelligence services. Ex-CIA director Stansfield Turner and ex-KGB chairman Leonid Shebarshin answer similar questions about their work in filmed interviews

The first questions concern the problems of recruiting agents and protecting their identities. Shebarshin says that agents' real names were not used and no one asked

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about them during the training process. He notes: "A correctly trained operative who has been through our school should simply never even think about asking superfluous questions. If someone asks superfluous questions or if he begins to boast, that means he has been badly trained or that he has some shortcoming."

Next, footage is shown of the interrogation of Aldrich Ames in which he states that the KGB warned him to be more careful. He also explains how he was able to fool lie-detector equipment.

In an interview one Nikolay Leonov says that he advocated the use of lie-detectors in Soviet practice. He states: "This was never part of our working practice. And I do not recall any instances when we subjected anyone to a lie-detector check in normal circumstances. I personally used a lie-detector only twice and that was in special circumstances, when we had to discover an American infiltrator."

Next, U.S. footage is shown of naval officer John Walker who worked for the Russians and of Arkadiy Shevchenko who worked for the CIA while Turner was in charge. An interview with Vyacheslav Baranov, shortly due for release after being convicted of spying for the United States, is also shown.

Turner and Shebarshin comment on the dangers of alcohol abuse for agents. Shebarshin says that some alcoholics were cured and some fired. He comments: "Unfortunately, this was a problem. Disasters did occur because of this. Unfortunately, the false idea was present among us that our work was impossible without alcohol. This is absolute rubbish. I not only managed to do this work for almost 30 years without it but carefully avoided it."

The two intelligence chiefs also regarded womanising as a danger. Shebarshin says: "We had a negative attitude to divorce and to family problems. Naturally, this makes a person more vulnerable. The existence of family problems, money problems, relatives with a criminal past, all this makes a person vulnerable."

Turner notes that agents had discretionary use of large funds and were, therefore, liable to temptation. Shebarshin says that the old KGB culture stressed the need for thrift. He goes on: "There were no fewer temptations then than there are now, but the capability for resisting them was much greater."

Asked whether their services had made use of journalists, Turner replies that the CIA had not although the Iranian hostage crisis had been an exception. Nikolay Leonov replies: "As for using journalists as a cover, we had great difficulty in selecting them. We could not use PRAVDA as this would have been using the party as a cover. There was a decision not to use the CPSU Central Committee newspaper as a cover for intelligence agents. It was possible that they could be compromised as intelligence agents if there was a failure and this had to be taken into account. There were a very few exceptions, there were occasions when we used this cover, when we had no other option. When this happened the local agents scrupulously protected the PRAVDA journalists and did not let them take part in any risky operation which could fail. Because, of course, we could not allow any suspicion to fall on the Central Committee."

The KGB had a rule against recruiting close relatives of existing officers whereas the CIA encouraged the practice, he states.

Moving on to questions about world affairs, Leonov notes: "In 1975, I remember it very well, the intelligence service prepared a major analytical document for the CPSU Central Committee Politburo which set out the clear task: cease expanding territorial influence in the world. That was particularly in the period when Angola, Mozambique, Ethiopia - colossal countries - came into the orbit of our political influence. We said that this could not be done, that with our limited economic and cadre resources it would be better for us to adhere to the concept which the British tried with success in the past when they built up their colonial empire. They took key points - Gibraltar, Malta, Suez, Singapore and ensured the safety of their vast route to India, for example. We said that we should choose a few small countries and concentrate our modest resources there and try to raise their economic and social development to a level which would prove attractive to others of their contemporaries and fraternal countries and restrict ourselves to this."

Turner admits that he had failed to predict the Soviet embroilment in Afghanistan. Shebarshin takes up the theme: "We, too, made misjudgments. Our estimation of the Afghan situation was not completely accurate. One would have thought that we knew Afghanistan very well but it would be untrue to say that we worked impeccably at all stages. Every service has its major successes and has its failures. And there is no service which has constantly worked irreproachably. As far as Mossad is concerned, I think that Mossad has had as many failures as any other active service.

"As far as concerns world views, the Americans have a clearly expressed point of view, America's national interests. Our point of view, the Soviet Union's national interests, was less clearly expressed. A certain role was played here by ideology - our international duty. The people who invented this international duty began to take it seriously instead of saying clearly that we are not fulfilling our international duty but defending our

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own national interests which we have every right to do. This rather blurred the picture. We did not clearly define the direction of our work and this made it difficult to understand and precisely define the real picture."

Turner praises the way the KGB protected its agents. Shebarshin speaks about the unofficial contacts which the KGB maintained with the CIA.

Shebarshin concludes by saying: "I would like to see the intelligence service gradually disappear from the public view, together with the press department, as if it did not exist. That would be a great help to its work."

Russia: Foreign Intelligence Service Issues CD-ROM About Activities

LD2007194396 Moscow Mayak Radio Network in Russian 0620 GMT 20 Jul 96

[FBIS Translated Text] Russia's Foreign Intelligence Service [SVR], which is preparing for its 75th anniversary, intends to inform the public about its activities. During a meeting with journalists, General Yuriy Kobaladze, the head of the SVR's press office, repeated several times that there will be no sensations. He said certain things will be made public that specialists already knew about, but the time had come to do away with the super-secrecy of the past, as he put it.

[Begin Kobaladze recording] We consider that we have a debt to the public, that we have an obligation to reveal and talk about those aspects of intelligence work that can be spoken about. We consider that the media are entitled to inquire about intelligence activities. Taxpayers are entitled to know where their money is going and what it is being spent on. [end recording]

That is how General Kobaladze explains the SVR's position. This explanation is in my view the main sensation. The SVR is not about to reveal all its secrets. That would be stupid and absurd. But it intends to work in the spirit of the times, in accordance with the principles of a democratic state.

The first impressive step on this road is the release, in cooperation with a commercial firm, of a six-hour CD-ROM about the intelligence service and its people.

Right from the start the CD makes a strong impression. The viewer is taken on a tour of SVR headquarters at Yasenevo. One set of doors after another is opened for him. The presentation contains 100 unique photographs, about 300 hitherto unknown documents, and over 20 interviews with the leading lights of Russian intelligence, including Hero of Russia Vladimir Borisovich Barkovskiy, who is well known to regular Mayak listeners. Other details shown include the SVR logo — a globe with the words: Homeland, Valor, Honor. This is not an empty slogan, but the law governing the activities of our foreign intelligence service which, throughout its 75 years, has served and will continue to serve, not a system, not a regime, but a state and people.

Speaking about plans to publicize the work of the SVR, General Kobaladze said:

[Begin Kobaladze recording] We are working on several books dealing with individual episodes of the Cold War. For example, there will be books on the Caribbean crisis, on Soviet intelligence's British operations, on the German operations. Furthermore, we are working on television films, documentary films, and movies that we expect to make. [end recording]

I will let you into a little secret. Mayak has long had very good relations with Yuriy Georgiyevich Kobaladze, and I think our listeners will hear about the contents of those books before they are published.

Russia: 'Terrorist' Arrested for Nalchik 28 Jun Bus Explosion

LD2107101296 Moscow Mayak Radio Network in Russian 0900 GMT 21 Jul 96

[FBIS Translated Text] The AIF-NOVOSTI agency has learned at the Russian Federal Security Service that the terrorist responsible for blowing up a Mineralnyye Vody-Vladikavkaz bus in Nalchik on 28 June has been arrested. Five people were killed in the explosion and 30 wounded. The man said he had plans to carry out another terrorist act at the Prokhladnaya station.

Russia: Duma Communist Faction Accuses Rybkin of 'Malicious Lies'

LD1907165796 Moscow INTERFAX in English 1634 GMT 19 Jul 96

[FBIS Transcribed Text] MOSCOW, July 19 (Interfax) — The Russian Communist Party faction in the State Duma has accused Ivan Rybkin, Duma deputy and head of the new presidential Political Consultative Council, of "malicious lies."

An official statement of the faction, announced at the Duma afternoon session Friday, says that in an interview with the Moscow News weekly and in other statements Rybkin "persistently continues to put forth new so-called proof of Communist deputies' destructive activities.

"All of Rybkin's inventions that the Duma had allegedly become the campaign headquarters of one of the presidential candidates are an open provocation pursuing long-reaching political goals and reflecting concrete open ambitions of the deputy, whose desire to take the

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post of the house speaker is as understandable as his methods are unacceptable," reads the statement.

The Communist faction described Rybkin's actions as "an attempt to aggravate relations between the executive and legislative branches and resolve his personal problems under the cover of a parliamentary crisis."

Russia: Communists' Defeat Comes From Failure To Change

MM1907141996 Moscow ROSSIYSKIYE VESTI in Russian 16 Jul 96 p 2

[Article by Yuriy Aleksandrov: "It Is Difficult To Be Red When There Are No Whites. Why the Communists Lost the Elections"]

[FBIS Translated Text] Any defeat is usually the result of a variety of factors: the victors' strength; their successful use of their strong points or their opponents' weak points; the mistakes and errors of the vanquished. President Yeltsin's actions on this occasion were no less effective than his conduct in his "glory days" in August 1991. But what about the vanquished?

It is possible to say that they got off to a fine start. The level of confidence in the president had never been lower. The Chechen war, the burdens of economic reconstruction, the massive arrears in unpaid wages and pensions, and the absence of proper law and order were all a millstone around his neck. The democrat reformers' camp was split and its overwhelming majority almost irreconcilably opposed to the president and his "entourage." From this quarter there issued demands that were frequently simply incapable of fulfillment. In contrast to this, the Communists had managed, comparatively easily and quickly, to cobble together an apparently reliable people's-patriotic bloc and to securely tap the feelings of mass disenchantment and discontent.

The Communists Did Not Understand the 'Nonparty Voters'

Today the losers are naturally demoralized. Power, which was theirs for the taking, has slipped from their grasp. In such cases the usual first feeble impulse is to search for the culprits for one's own failure elsewhere. Besides the president, the villain of the piece turned out to be the democratic mass media.

It is entirely probable, however, that the Communists do actually believe this explanation themselves. After all, in the past they always had an exaggerated idea of the effectiveness of their own propaganda and an extremely superficial idea about the object of that propaganda — "the people." The people for them were always "the working masses," which had to be constantly mobilized to build communism and for all manner of political actions and educated in the spirit of Marxism-Leninism. An orderly system of "drive belts" was created according to Lenin's scheme of "leader [vozhd]-party-class-masses." The masses meant all of us, including, indeed, the "class" (that is to say, the working class), and the overwhelming majority of ordinary party members.

Hence the arguments of the Communists today. They take the example of Ivanovo Oblast — one of the least prosperous regions in Russia today. A grave crisis has overtaken the main sector of the economy — the textile industry; unemployment is on a huge scale, and agriculture is experiencing great difficulties. The people have apparently seen little good from the reforms, but for some reason the majority of them voted for B. Yeltsin in the presidential elections. Moreover, by a hefty margin, especially in the second round. Well then, how else can this be explained except as the stupefying effect of pro-Yeltsin propaganda on people's minds and subconscious?

If you subscribe to the traditional ideas about the Russian people held by the Communists and their spiritual twins, the radical nationalists, there is no other explanation. For them Russian citizens — especially ethnic Russians — are strange people. They are eternally rushing along "in anarchic pursuit of truth," and might break a lot of toys if the strict nanny — the state — did not keep an eye on them. They do not think rationally, and are always ready to prefer the spiritual to the material content of life. As if the decent organization of material life were not among the principal spiritual values of our civilization's people! All their other conclusions follow from this: enmity toward educated "scribes and Pharisees" and toward all who want to hold their fate in their own hands, instead of endlessly working for the state. Distrust and enmity toward everything foreign, especially the "prudent and predatory" Western civilization. And most importantly of all — the cult of the all-powerful state, the "derzhava" elevated above society.

With this baggage the Communists were confident of victory on a wave of mass popular discontent. It was too hard for them to understand the logic of the Ivanovo voters. Of course, the motives of the latter were various. But one can be quite sure that the main role was played by people's changed consciousness. The people of Ivanovo have not just had their "full measure of sorrow." Very many of them now understand why they are suffering this "sorrow" in the market economy. What are the specific reasons that they are experiencing difficulties, and what must really be done to overcome the crisis? It is difficult to fool them with simple

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promises to give them "working capital" and launch enterprises.

To win people's votes, the elections showed, the most crushing criticism and the most generous promises are insufficient. **Positive values and goals** are essential. Slogans that correspond to people's understanding and aspirations, their plans for the future and their tastes. The Communists and the radical "patriots" affiliated with them did not succeed in offering the people this — to be more exact, the idea never even entered their heads. The **weight of ideology from the past** proved too heavy. And above all, they overlooked the younger, active generations. People who at the level of their everyday lives have already long since — and some who have only recently — become disenchanted with the communist system of material and spiritual values. Many have even become disenchanted with the morals of the older generations as a whole. They accept the new life naturally.. Hence it was sufficient to call young people energetically to the polls, and the issue was settled.

The Essence of Russian Communism Is Bolshevism

No sooner had the Communists and their allies gathered for their first conference after the elections than A. Lukyanov, one of their patriarchs, stated: "Communists have nothing of which to be ashamed and nothing to repudiate." Well, that is a private matter, of course. But Russia's Communists have already effectively repudiated one or two things — the ideology of Marxist-Leninist Communism. Of course, this too is an internal party affair. Or to be more exact, it would be, if they had not tried to impose on society the party's views of how it should be organized and how it should live. **Marxism in Russia has already been defeated** — as in the rest of the world. Today the Russian "Left" rejects it in favor of **national communism** (or national socialism **in the Stalinist sense**). With all its familiar attributes: the subordination of the society to the state, state control of economic life, isolationism and "global opposition to imperialism," with a focus on the inevitability of a third world war. The unification of Stalinist Communism with Russian nationalism is **the last, and principal, achievement of communist thought in Russia.** Unless, of course, you count the transfer of the social base of support from workers to peasants and pensioners.

That is why the CPRF [Communist Party of the Russian Federation] consistently continues the policy, traditional for Russian communist revolutionaries, of **expelling social democrats from its ranks.** That is to say, expelling those who espouse the idea of the possibility of combining the market economy with strong social protection for society's members.

The first to be expelled, we recall, were the "Mensheviks" — as far back as 1903. The last were M. Gorbachev and company and — retrospectively — N. Khrushchev, condemned for departing from Stalinist principles. The party has "purged itself" yet again of those who naively dreamed of placing its work on the foundations of "truly scientific Marxism-Leninism," or — this time entirely realistically — bringing the party's ideology into line with the contents of life.

But, the question arises, how is it possible today to combine the Stalinist-type national communism that Russia's Communists have taken up today with their own lack of belief in the possibility of a "bright communist future" a la Karl Marx? Extremely simply, it turns out. You have only to adopt the pessimistic view of the fate of the world community in the 21st century that is popular nowadays in certain conservative social circles in the West. To present global development in this perspective as a clash between the major world civilizations in the struggle for mankind's dwindling economic resources. Above all, as the antagonism between the Muslim and Christian civilizations, and also between the Catholic and Orthodox worlds within Christian civilization. And immediately everything falls into the places determined and indicated by Stalin, beginning with "derzhavnost" — the domination of society by the state. Thus for Communists today the class struggle is no longer important — any other struggle will do. **Communists come and go, but Bolshevism remains.**

In Sheep's Clothing

But the problem is that the Russian people are tired not only of the burdens of material life, but also of wholesale compulsion, especially of repression and bloodshed. They do not want to be led somewhere without their leave again. For very many people the image of our Communism is still linked with bloody mass repression and the crushing of the individual by the state — at all levels: [The state decides] where you live, how you work, how much you earn, what and how you think and speak. That is to say, Communism is linked, as well as with repression per se, with what used to be called in our country "voluntary compulsion." And, it must be acknowledged, at some moment the Communists did sense the danger from this angle. But they were unable to do anything serious about it. And not because they did not have the time. Simply, for this they would have to be different people, with a different, humanitarian rather than bellicose, philosophy of life. The people cannot be fooled so easily — once bitten,

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twice shy. The Communists and their allies all the time find themselves in the position of the man in the well-known joke, who keeps trying to assemble a sewing machine, but every time ends up with a Kalashnikov rifle.

The actions of the "people's patriots" were extraordinary clumsy. First, it transpired, G. Zyuganov or A. Tuleyev "knew nothing" about repression, then Jews and other foreigners were to blame for them. This in Russia, where the overwhelming majority of people, if they do not understand, at least sense that kindling national dissension in a multinational state is pernicious. Well, they also asked Anpilov not to run around waving red flags for the time being, and generally to stay out of the limelight. But of course everyone understands that he did not go away, and that Zyuganov cannot get away from him. Only by joining the social democrats — but of course, he apparently has no intention of doing so.

No, the Communists and their allies have not managed to "cleanse" themselves of their aggressive image. Of their revolutionary symbolism and phraseology. And, most importantly, of the atmosphere of aggression and violence that surrounds them. And is it any wonder? Wherever you look, you see people from the SCSE [State Committee for the State of Emergency], others from the "National Salvation Front," others still from God alone knows where. And there is no getting away from this, and no one wanted to change. Things reached the absurd point whereby a last-ditch attempt was made to co-opt for Gennadiy Andreyevich's cause at least Ye. Stroyev [chairman of the Federation Council], and even Yu. Luzhkov (!). Naturally, to no avail: These deputies showed nothing apart from surprise. Just as unsuccessful were the attempts to dilute their program with the phraseology and certain tenets of the conservative wing of economic reformers of a social democratic orientation.

In short, to avoid frightening the people, the Communists and their comrades in arms in the "people's-patriotic" bloc should have changed substantially, in line with the increasing gravitation in society toward social democracy, toward normal, rather than aggressive patriotism, toward personal freedom in the context of law and order. This is what they should have done; but **it is hard to teach an old dog new tricks.** That is why they lost.

Federal Assembly

Russia: Speaker Seleznev: No Reason for Dissolving State Duma

LD1907142896 Moscow INTERFAX in English 1300 GMT 19 Jul 96

[FBIS Transcribed Text] Moscow, July 19 (Interfax) — There is no reason for dissolving the Russian State Duma, State Duma Chairman Gennadiy Seleznev told a news conference in Moscow on Friday.

He said he was satisfied with the results of the first session of the second State Duma.

The Russian parliament's lower chamber passed 161 bills during its first session, Seleznev said, denying the statements that the State Duma's law-making activity was insufficient.

"There is no reason for dissolving the Duma, and I would not agree with wholesale accusations," he said with regard to the recent statement of Sergey Belyayev, leader of the Our Home Is Russia parliamentary faction, that the Duma did not pay enough attention to bills aiming at the development of economic reforms. Belyayev then said that this might be a reason for dissolving the present State Duma.

Regarding the possibility of the Duma approving the reappointment of Viktor Chernomyrdin as Russian prime minister, Seleznev said he believed that Chernomyrdin "will collect the required majority of votes."

However, Duma deputies need to "listen to the nominee's program and discuss it within factions" before the State Duma debates the appointment of Russia's new prime minister.

Seleznev does not consider the recently created political consultative council under the Russian president as an important organ. He said he did not see the political consultative council led by former State Duma chairman Ivan Rybkin as the State Duma's competitor. "This is not a constitutional organ. Russia has more than enough councils and associations. Let [the political consultative council] work as a consultative organ," he said.

Seleznev considers relations between Russian President Boris Yeltsin and the State Duma as normal.

The parliament's lower chamber sent Yeltsin a telegram congratulating him on his re-election as Russian president shortly after the presidential election runoff, he recalled.

"However, Duma deputies will not line up behind the president. Opposition and pluralism should exist within society," Seleznev said.

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He also dismissed as "libel" the statements of some deputies that the State Duma's budget had been undermined by the election campaign of Gennadiy Seleznev, leader of the Communist Party of Russia faction. "You will not find any instructions or documents on [giving] priority to Gennadiy Zyuganov," Seleznev said, adding that "such statements are an inappropriate trick."

Russia: Duma Urges Yeltsin Hold Televised Debates With Chechens

LD1907125496 Moscow INTERFAX in English 1238 GMT 19 Jul 96

[FBIS Transcribed Text] MOSCOW, July 19 (Interfax) — The State Duma passed a resolution by 272 votes in favor and four against, urging President Boris Yeltsin to "hold open Russian Security Council debates with Chechen opposition representatives taking part and televise the session live."

The Duma believes that participants in this meeting "must give a reply about the causes of the new escalation of fighting in Chechnya, publicly accept the commitments of the sides to end the war, devise a mechanism of checking compliance with the obligations, and adopt measures of responsibility for their violations."

Sponsored by deputy Yuliy Rybakov of the unregistered Russia's Democratic Choice group and Petr Shelishch of the Yabloko faction, the resolution was backed by their colleagues from virtually all Duma factions.

Russia: State Duma Heavily Overspends Its Budget

MK1907133696 Moscow KOMMERSANT-DAILY in Russian 19 Jul 96 p 3

[Report by Yevgeniy Yuryev: "Parliament Has Virtually Exhausted Its Budget"]

[FBIS Translated Text] Nearly all the funds allocated to the Duma from the [state] budget for the first year of its work have been spent. Moreover, the deputies have managed to incur substantial debts: They owe 10 billion rubles to Aeroflot, and 8 trillion to transport workers. They also have an outstanding debt to communications workers. During the first six months expenditures have been exceeded by 40 percent. So as not to wind up, by the end of the year, not only without their cars but also without their salaries, the deputies will have to amend the budget, increasing their expenses.

For a week now the Duma deputies and staffers have been unable to use office cars for official trips. The Duma is heavily in debt to the presidential staff's motor pool, and they simply stopped providing transport, leaving only five cars for urgent needs. The personal cars of Duma committee and faction leaders have not been confiscated yet, but they will apparently also have to cut down on their trips.

The present Duma budget is 340 billion rubles. This figure was approved by the former deputies; it was calculated as of 1995, adjusted for inflation and provided for incidental expenses. The number of deputies is still 450 while the staff — if the Duma leadership is to be trusted — has even been downsized. There should be no shortage of funds. Why then have the expenses grown so much? According to Duma Ex-Speaker Ivan Rybkin the reorganization of the staff has not led to any saving of funds. It was reduced to the transformation of administrations into main administrations and sectors into departments. The status of staff positions has been raised and with it the salaries. There appeared "specialists" with the rank of [department] deputy chiefs with no definitive functional duties. Their responsibility is to watch who is doing what and to make sure that there are no deviations from the political line of the party that calls the shots in the Duma. They have been dubbed commissars.

CPRF [Communist Party of the Russian Federation] representatives, who hold key Duma posts, contend that there has been no purge of the staff nor was there any dismissal of staffers who do not sympathize with the Communist Party. Indeed, there has been no outright purge. The Duma staffers were simply suspended. Meanwhile there was persistent talk of imminent downsizing. And many preferred to quit on their own volition, receiving a severance pay equivalent to a two-month wage. The resultant vacancies were immediately filled with proteges. This was how the wage fund on some positions was overrun for two months. While qualified specialists were downsized, oftentimes casual people were taken on in the Duma. There have been some ridiculous instances: The position of an expert with a doctoral degree was filled by a kindergarten nurse.

Travel expenses have also grown substantially. During the election campaign the deputies, leaving one of the five to six faction members on duty, would go canvassing around the country — at the Duma's expense. This was in flagrant violation of the permanent rules, stipulating that the deputies may work with their constituents within a strictly established period — the last week of the month — and are obliged to attend all Duma sessions. The Communists and the Liberal Democrats were the most liberal spenders of the Duma travel-expense funds. They in effect turned the Duma into their own election headquarters. They sent out faxes and held telephone conversations with their regional offices. As a result the Duma still cannot settle its debts to the Communications Ministry: It runs into several billion rubles.

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The hard-currency funds have also been practically exhausted. Duma Speaker Seleznev decided that during the numerous foreign trips it is not proper to scrimp on banquets and receptions. Therefore substantial funds for representation expenses are now issued not only to the head of a delegation but also to all chairmen of Duma committees no matter how many of them go on a trip.

Russia: State Duma Closes for Summer Recess

LD1907171596 Moscow INTERFAX in English 1644 GMT 19 Jul 96

[FBIS Transcribed Text] Moscow, July 19 (Interfax) — The Russian State Duma held its last meeting before parliamentary holidays Friday.

The "legislating program" set at the beginning of the session "has been implemented in a satisfactory manner," Duma Chairman Gennadiy Seleznev said on the results of the session.

He acknowledged that a certain number of bills have stuck at the first or second reading, which provokes dissatisfaction in parliamentary committees. However, he said these unfinished bills will allow to begin the autumn session without delay.

Seleznev reminded the deputies that they will meet again on August 9. Duma deputies are officially invited to attend the ceremony of Russian President Boris Yeltsin's inauguration.

He did not rule out that the Duma may meet for an extraordinary session to discuss the candidacy of the prime minister on August 10 or 11.

Yeltsin informed the deputies that he intends to nominate a prime minister by August 13.

The autumn Duma session is scheduled to begin on October 6.

Russia: Duma Might Break Recess To Discuss Candidacy of New Premier

LD1907194096 Moscow ITAR-TASS in English 1927 GMT 19 Jul 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, July 19 (Itar-Tass) - The Russian State Duma speaker does not rule out that the lawmakers might break their recess and hold a session to discuss a candidacy of the new premier on August 10 or 11.

On Friday, speaker Gennadiy Seleznev held the last session of the Duma before two months of vacations.

Regional Affairs

Russia: Chernomyrdin, Others' Remarks at Chechnya Meeting

MM2207112796 Moscow ROSSIYSKAYA GAZETA in Russian 19 Jul 96 Weekend Edition p 2

[Report by Tatyana Shutova under the "Week's Trends" rubric: "Chechnya Without Anger or Partiality"]

[FBIS Translated Text] A routine session of the State Commission for Settling the Crisis in the Chechen Republic has been held in Moscow. Commission Chairman Viktor Chernomyrdin introduced its new members: Security Council Secretary Aleksandr Lebed, Federal Security Service Director Nikolay Kovalev, and Finance Minister Vladimir Panskov. The commission discussed a plan of measures for a settlement in Chechnya over the next six months in order, as Viktor Chernomyrdin pointed out, to break free of the vicious cycle without anger or partiality.

The situation in Chechnya has worsened. The illegal armed formations are to blame for the fact that the accords reached in Moscow and Nazran are on the verge of being wrecked. This was declared at the State Commission session by Viktor Chernomyrdin, its chairman. Most regrettably, he admitted, we are once again getting into some vicious cycle: talks, exacerbation of the situation, wrecking of accords. The situation in Chechnya has been ignited by terror on the part of gunmen, and this, in Chernomyrdin's opinion, attests to the inability of the Ichkerian leaders, including Zelimkhan Yandarbiyev, to control the actions of extremist forces. At the same time Viktor Chernomyrdin is dissatisfied with the contradictory explanations for what is happening on the part of representatives of the federal forces. Voicing concern at the deaths of 13 residents of a suburb of Groznyy, Viktor Chernomyrdin demanded a prompt investigation into the tragedy and the punishment of those to blame.

The Russian head of government insists on close cooperation among all the structures involved in the settlement and hopes for interaction between the State Commission and the Security Council. He reported that a specific program to find a way out of the crisis will very soon be submitted to the Russian president for approval. At the same time he pointed out that strong-arm suppression of the gunmen's actions has not yet been ruled out, emphasizing that these measures must not go beyond the bounds of Russian Federation legislation.

The strategic course of the federal center remains as before: the main emphasis on a peaceful settlement and the continuation of the talks process, with all real political forces being involved in it. The settlement

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will continue in three main areas: political, military, and socioeconomic. The blocks of these problems are interconnected and interdependent.

As regards the political settlement, the process is gathering momentum. At least, this is what Doku Zavgayev, head of the republic, believes. The People's Assembly has begun working, the local authorities are growing stronger, and the population is becoming increasingly involved in active life, not letting events go their own way. Doku Zavgayev reported that a package of 17 agreements delimiting powers and defining responsibility will be signed in the very near future between the republic and the federal center in such important spheres as the budgetary, social, and ecological spheres.

Nikolay Koshman, chairman of the government of Chechnya, reported that grain crops are being harvested in the republic, the harvest promises to be a rich one, industrial and housing and municipal enterprises are functioning, and the oil and gas complex is being restored.

It is beyond doubt that the settlement of the Chechen crisis must be comprehensive. As for the block of military questions, both Igor Rodionov, the new minister of defense, and Security Council Secretary Aleksandr Lebed, who will soon be making his way to Chechnya, will probably make their contribution to resolving them.

Russia: OSCE Official Wants 'Normal' Ties With Chechen Authorities

LD1907143296 Moscow INTERFAX in English 1412 GMT 19 Jul 96

[FBIS Transcribed Text] Groznyy, July 19 (Interfax) — Swiss diplomat Tim Guldimann, head of the OSCE Assistance Group in Chechnya, told Interfax on Friday that he wanted to have normal relations with the Moscow-backed Chechen authorities and Moscow-backed Head of Chechnya Doku Zavgayev.

Guldimann said he was "surprised" at the statement of Zavgayev who demanded that Guldimann be "immediately evicted" from the republic.

The OSCE official said he could not say what precisely caused the dissatisfaction of the Moscow-backed Chechen leader with his performance.

Guldimann voiced hope that the situation would be clarified and settled during his meetings with Zavgayev and Moscow-backed Chechen Prime Minister Nikolay Koshman.

The OSCE mission in Chechnya has been created in line with the accords between the Russian federal authorities and the OSCE, he stressed.

This means that Guldimann's further presence in Russia has to be decided through the Russian Foreign Ministry which Zavgayev had already addressed, accusing Guldimann of "discrediting the OSCE by his actions."

When asked who was responsible for jeopardizing the accords between the Russian authorities and Chechen separatists reached in Moscow and Nazran, Guldimann declined to answer the question.

It is not his task to judge who is more guilty and who is less guilty, he said.

His task is to ensure contacts between the Russian federal authorities and the opposite side, Guldimann said.

He also said he did not believe the statement of Salman Raduyev, Chechen field commander who led a raid on the town of Kizlyar in Russian Dagestan in early 1996, "rising from the dead" and swearing on the Koran that Chechen separatist leader Dzhokhar Dudayev was alive.

"I do not believe this," Guldimann said, adding that "nobody believes this, including Dudayev's supporters whom I contacted."

Russia: Groznyy Airport Closed 'Indefinitely' Except to Lebed

LD1907172596 Moscow ITAR-TASS World Service in Russian 1501 GMT 19 Jul 96

[By ITAR-TASS correspondent Nikolay Zagnoyko]

[FBIS Translated Text] Groznyy, 19 Jul — Groznyy's Severnyy airport has been closed indefinitely because of the troubled situation, Major General Vladimir Shamanov, commander of Defense Ministry troops in the joint grouping of federal forces in Chechnya, told ITAR-TASS today. Shamanov said that for the time being only one aircraft would be allowed to land — the one bringing General Aleksandr Lebed, secretary of the Security Council, and General Igor Rodionov, the Russian defense minister, on their visit to Chechnya.

Gen. Shamanov said the airport is likely to remain closed until peace talks resume between the federal centre and the separatists, as decreed by the state commission for a settlement in Chechnya.

Russia: Chechen Opposition Spokesman Expects Little of Lebed Visit

LD2007124196 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 20 Jul 96

[FBIS Translated Text] A visit to Chechnya by Russian Security Council Chairman Aleksandr Lebed is scheduled to take place soon. Meanwhile, the Chechen opposition is highly skeptical about Lebed's ability to bring

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about a settlement to the situation. This was reported to our radio station by Movladi Udugov, press minister in the opposition government.

[Begin unidentified speaker recording] Apart from more bombs and air strikes, more large-scale military action and provocations, we do not expect anything from anyone. There is of course a degree of hope — which, to be honest, is fading every day — that the new people in the Kremlin are not tainted by Russian politics and do not have either Russian or Chechen blood on their hands, and that they will not want to get it on their hands. But I repeat that hope is fading with every passing day. As parts of the Russia media have been saying, when people get into the Kremlin and into the Kremlin offices, they seem to undergo a kind of metamorphosis. [end recording]

Russia: TV Shows Pictures of Chechen Rebel Salman Raduyev

LD1907153496

[FBIS Report] Moscow Russian Public Television First Channel Network in Russian at 1400 GMT on 19 July broadcasts an 11-second segment of pictures of a person who is supposed to be Chechen rebel Salman Raduyev, declared dead earlier this year. The television shows a dark-bearded and moustached man, in his late 30's or early 40's, with a clearly disfigured nose and wearing a military uniform and a beret. He is shown seated behind a desk, upon which a black briefcase and two standard size sheets of paper are displayed. One sheet seems to be blank while the other one is filled. Two microphones are attached to the desk. A soldier in his 20's, also wearing dark glasses and a beret, is standing to attention next to the person. In the background there is a green-red-and-white flag placed in the middle of an oriental rug hanging on the wall. The would-be Raduyev is shown smiling, facing the camera and apparently relaxed, in the process of saying something to individuals off-screen. Viewers are also treated to a brief close-up that reveals a mouthful of metal teeth. The pictures are accompanied by the following announcer's voice-over:

"The apparition of Salman Raduyev after plastic surgery, which was demonstrated to journalists yesterday, has today been actively discussed. It is not a threat of terrorist attacks but the question of Raduyev's authenticity that has aroused the interest of commentators. Vladimir Shamanov, commander of the army group in Chechnya, believes that Raduyev is unlikely to be alive and thinks that a completely different person spoke to Western television journalists on his behalf. Ruslan Martagov, press secretary of the head of Chechnya, who in passing described Raduyev or would-be Raduyev as a person who rose from hell, believes that what is important is not whether the terrorist has survived but that this person shows the clear absence of unity among the Chechen separatists. In this sense, his statement that Dudayev is alive is not fortuitous. This means that [Zelimkhan] Yandarbiyev did not want to or could not become the leader of the opposition."

Russia: Raduyev's Reappearance Assessed

MM1907162696 Moscow ROSSIYSKAYA GAZETA in Russian 20 Jul 96 p 2

[Article by Vladimir Yanchenkov under "Sensation" rubric: "Has...Raduyev Returned From the Next World?"]

[FBIS Translated Text] The scenery surrounding Raduyev's appearance before foreign correspondents was remarkable in some ways. Witness just the flat expanse of the Ichkerian banner, against which background the inveterate terrorist impressively sat. But still more impressive and sinister were the statements which this made-up uncle delivered.

The pretend Raduyev announced that he regards all the accords with the Russian leadership as invalid, and so his detachment will act independently, regardless of Aslan Maskhadov's main staff.

"I have already issued the order to all subunits to commence large-scale combat operations. No question [Nikakikh razgovorov], the war will be continued to its victorious end," the "beard" declared.

Yes, one more enigma for our special services. According to the man who resembles Raduyev, he has brought to Chechnya 10 Stinger missile systems and the agreement of 800 Islamist gunmen who fought in Bosnia to reinforce his detachment. As for casual mercenaries, we shall see, as the saying goes. How the terrorist managed, if he is not bluffing, to get the missile systems through the federal cordons — this is a really interesting question.

The separatist leaders' assurances of their readiness to resolve the Chechen conflict peacefully pale against the background of the rather awful revelations disseminated on television. Maskhadov's recent order banning field commanders from acting independently, without the knowledge of the main staff, also appears worthless.

Doku Zavgayev is evidently right to regard Zelimkhan Yandarbiyev as "a loner, an impostor, and a rogue with a capital letter." Not exercising real power over all the armed gangs, Yandarbiyev, despite all his peacemaking statements and apparent decisiveness, is probably not capable of directing the surmounting of the crisis.

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Meanwhile, the spiral of new crimes on Chechen soil is continuing to mount. The 13 citizens villainously killed in Groznyy have been joined by 10 Russian soldiers and officers shot in the back of the head in the Vedeno region. The number of casualties will evidently grow, since well-known authoritative persons among the separatists like Shamil Basayev and Ruslan Gelayev insist on activating military operations and making "pinpoint" strikes against vitally important Russian Federation targets.

The leadership of the Chechen separatists seems to be choosing a new tactic of armed confrontation: a combination of positional and guerrilla warfare with extensive sabotage activity. The appearance on the scene of one of the main terrorists, who might not even be alive, is proving highly opportune for the perpetrators of terror: In this way the separatists are trying to strengthen their positions. "Raduyev's" sworn statement that Dzhokhar Dudayev is also alive should be viewed in this sense too. The gunmen seem to have exhausted their entire arsenal of means for terror and killing, and they now want to cheer themselves up by resuscitating corpses.

Quite honestly, looking at the television screen, I, who saw Raduyev in the flesh in April not far from Urus-Martan, felt a fair degree of doubt....

But I telephoned Valeriy Piyukov, the Russian Federation Government's deputy plenipotentiary representative in Chechnya, in Groznyy.

"Yes," he confirmed. "Raduyev is in Chechnya and has settled in the village of Kurcheloy."

Isa Aleroyev, the Chechen Republic's representative to the Russian Federation president, was more restrained:

"At any rate he looks like him. Very like him."

A GUR [expansion unknown; possibly typo for GRU, Main Intelligence Directorate] staffer, who wished to remain anonymous, confirmed: Raduyev is alive. He emphasized that the news of the terrorist's death and burial was disseminated deliberately by Dudayev's people so that it would be easier to take him abroad for treatment. Nor does the anonymous source doubt that Raduyev could have gotten 10 missile systems into Chechnya. He maintains that certain sections of Russia's borders with adjoining states in the near abroad are, in practice, highly transparent. Theater, and that is all. Somber theater.

"It does not come as news to us that Salman Raduyev is alive," Aleksandr Zdanovich, acting chief of the FSB [Federal Security Service] Public Relations Center, said in a telephone conversation. "Incidentally, the FSB never reported the Dudayevite terrorist's death to anyone. Our service has made no attempts to physically remove him. The FSB's task is to find a wanted criminal, to detain him, and to bring him to court. We cannot and will not act against bandits with the methods that the bandits themselves use.

"In just the same way we have not claimed and do not claim that Dzhokhar Dudayev is dead. For us such things become a fact when the dead person's body has been produced and an expert court medical appraisal has proved that it is identical with a certain person."

Russia: Raduyev Threatens More Terror Acts; Cites Stingers, CW

MM1907182096 Moscow KOMSOMOLSKAYA PRAVDA in Russian 20 Jul 96 pp 1-2

[Report by Aleksandr Yevtushenko: "Salman Raduyev Has Returned. Why?"]

[FBIS Translated Text] At the beginning of March all the mass media carried this news item: Salman Raduyev, the No. 2 Chechen terrorist, the organizer and leader of the attack on Kizlyar, and Dzhokhar Dudayev's son-in-law, has been killed. Then, last Thursday, Raduyev reappeared in Chechnya. His face had changed almost beyond recognition: a different oval, someone else's nose, dark glasses over his eyes, which he did not wear before. The beard was probably the only thing to remain as before.

"Although the beard is real and is mine, it is new too," Raduyev explained. "Try as I might, the medics made me shave it off before the operation."

"A whole series of Muslim countries offered me their services," Raduyev said. "But European medicine is far stronger. I was sent on to Germany. With a shattered face, without documents, across Belarus. The German physicians did everything possible. When speaking of plastic surgery, they offered me the looks of any movie actor. But I asked to be left with my own looks as far as possible. Of course, some things had to be replaced: the nose, the jaw. One eye has gone. There were three operations in all, and in the intervals between them I traveled to Muslim countries, resumed former links, and set up new ones. I also met with Dzhokhar Dudayev, our president."

[Question] Do you maintain that Dudayev is alive?

[Raduyev] The most holy thing to Muslims is the Koran. So, I swear by Allah that Dzhokhar Dudayev, our president, is alive, although his condition has been very grave since the attempt on his life. Maybe more complex than General Romanov's condition. The world's best

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medics are working on Dudayev, and there is hope that he will still get back in action [on yeshche vernetsya v stroy]. So those, including our leaders, too, who buried the president were plainly in too much of a hurry. I have received an order from Dzhokhar to fight until victory, even for 50 years, until we achieve independence.

[Question] And yet your leadership and Russia's leadership have already reached agreement on ending the war....

[Raduyev] All these talks and agreements are just dust. Our leaders were mistaken to believe that peace can be established with Russia. I command the most important, northeast salient. I have five fronts under my command. Immediately on my return I gathered all the field commanders together. We decided to combine the detachments in a single army for a jihad. An army named for Dzhokhar Dudayev. At that same session a death sentence was passed on Russia's top leadership, which must be carried out without period of limitation.

But for now, Raduyev reported, the combat subunits have been sent packages with orders to resume large-scale operations in Chechnya and the Russian Federation. One of the tasks in the plan that has been drawn up, according to Raduyev, is to turn Moscow into a disaster zone, and the trolleybus explosions are only the beginning. There is no need to conceal the Chechen connection here, he said.

[Question] Do you have the forces and assets to continue the war?

[Raduyev] We do. Reinforcements are expected very soon — something of the order of 800 fighters who fought in Bosnia on the Muslims' side will be here. People are coming to us from other countries, too. They are not mercenaries, they are not coming for the money. On the contrary, they are bringing money with them from various Islamic organizations.

As regards armament, there will be no great problems with this either, according to Raduyev. Recently Muslim brothers allegedly made a gift of 10 Stinger sets, and there are also chemical weapons.

Instead of an Afterword

The reaction of the separatists' leadership to such a resurrection of the "No. 2 terrorist" is not yet known. It can be assumed that it will be extremely negative. It is perfectly possible that Raduyev exaggerated his own potential and that of his colleagues. But a great deal in Raduyev's statements merits very close attention — and caution.

Russia: Lebed, Special Services Said Checking Raduyev Statements

MK2007113796 Moscow NEZAVISIMAYA GAZETA in Russian 20 Jul 96 p 3

[Report by Igor Korotchenko under the general headline: "The Resurrection of Salman Raduyev Has Occurred. Is Dudayev Next?"]

[FBIS Translated Text] Obviously, the sudden "resurrection" of Salman Raduyev and his crossing the Russian state border freely and on many occasions will become the subject of a special inquiry by the Russian Federation Security Council. Yesterday, President Yeltsin gave such an assignment to Aleksandr Lebed, who intends to raise the question with the heads of the Russian special services and law-enforcement agencies: How could an especially dangerous terrorist freely travel in the Middle East to then illegally make his way into Chechnya. Although practical conclusions [orgvyvody, usually meaning dismissals] would hardly follow, the discussion does not bode to be very pleasant.

The other problem being worked on by operations subdivisions of the FSB [Federal Security Service], SVR [Foreign Intelligence Service], GRU [Main Intelligence Directorate], and MVD [Ministry of Internal Affairs] is to check on Raduyev's statement on his having brought to the Russian Federation a batch of portable Stinger anti-aircraft missile systems. In particular, GRU and SVR field stations in countries of the Middle East, as well as in Turkey, Iran, and Pakistan, received from the center yesterday urgent instructions in writing to address this question by using any agent-based possibilities and secret contacts.

It is not being ruled out in the Security Council that help to Raduyev in obtaining the deadly weapons (if that happened at all) could have been given by Turkey, leaders of the Afghan mujahedin, as well as Tajik opposition heads. Stinger anti-aircraft missiles are ideal to commit acts of air terrorism. The firing of just one missile makes possible a guaranteed destruction of any passenger airliner getting within its effective range.

Russia: Case for Chechen Involvement in Moscow Subway Blast Viewed

MM2207091896 Moscow KRASNAYA ZVEZDA in Russian 20 Jul 96 p 2

[Report by Konstantin Petrov: "No Version Is Ruled Out. The Search for the Perpetrators of Terrorist Acts Continues"]

[FBIS Translated Text] The circle of the search for criminals, which is being vigorously conducted by the

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competent organs, is not yet narrowing down to establishing specific persons. In the opinion of Internal Affairs Minister Anatoliy Kulikov, who recently addressed journalists at a briefing, the version of the involvement of Chechen separatists in the terrorist acts in Moscow is the most realistic. It is corroborated by a recording which the MVD [Ministry of Internal Affairs] has of a cellular telephone conversation between a subscriber in Groznyy and the organizer-perpetrator of the explosions in Moscow.

The FSB [Federal Security Service] Public Relations Center has told KRASNAYA ZVEZDA that this is not a groundless version and that it, too, is being investigated by staffers of investigative subunits. The following circumstances militate in favor of it. Previously many Chechen separatists from among the so-called intransigents have repeatedly threatened to shift combat operations to Russian cities by means of acts of terrorism. Despite all the measures being taken by the law enforcement organs, the gunmen have not abandoned their plans.

This is also indicated by the materials of the preliminary investigation into the explosion on a bus in Nalchik and the home-made explosive device discovered in the train station at Prokhladnyy. The criminal detained by employees of the FSB directorate for the Kabardino-Balkar Republic has admitted that he committed those actions on the orders of "field commander" Ruslan Khaykhoroyev.

The explosive devices used by the detainee proved similar to those used by terrorists in Moscow. But this is merely the specialists' preliminary conclusion.

As for the statements by certain independent experts who maintain that the explosions in Moscow did not resemble the "handiwork" of separatists (the comparatively small charge in trinitrotoluene equivalent, the use of a device without a casing, and, most importantly, the absence of the usual subsequent loud claims of "responsibility" for terrorist acts), these conclusions appear untenable. First, 200-300 grams of trinitrotoluene in busy places and on transport is quite a lot. Second, the terrorists have achieved the main aim of disrupting the tranquillity of residents of the capital and of other Russian cities. The lack of overt statements in this regard is connected precisely with the reluctance to provoke a powerful propaganda and strong-arm counterreaction from the Russian authorities.

Of course, FSB and MVD detectives do not rule out other versions as well. In particular, the version of the lone Chechen terrorist who is wreaking such monstrous vengeance on totally innocent people for dead friends and relatives. Purely hooligan-related and domestic causes of the explosion are also being considered (similar instances have already been encountered in practice — for example, the blowing up of a streetcar in Chelyabinsk in 1982).

Competent specialists agree on probably just one thing: The comprehensive preventive measures being taken by Moscow's government, by law-enforcement organs, and by the special services, the use of all possible forces and means, and vigorous investigative actions can halt the wave of terrorist acts and help to establish who the criminals are.

Russia: Chechen Rebels Switching to Terror, Sabotage

MM1907125696 Moscow KRASNAYA ZVEZDA in Russian 19 Jul 96 p 1

[Report by special correspondents Colonel Anatoliy Borovkov and Senior Lieutenant Dmitriy Semenov: "Bloody Trail of Wounded Beast"]

[FBIS Translated Text] Chechnya — Resolute operations by the federal forces in recent days have well and truly destroyed the centralized command and control of the separatists' bandit "army." Disparate groups of mercenaries of various nationalities and hardened criminals are seeking refuge in the forested highlands of southern Chechnya. They have no intention of surrendering, and the futility and hopelessness of their situation have made them even more frenzied and brutal. They intend to put up stiff resistance to the federal forces' subunits. This is indicated by the "finds" made by army reconnaissance officers. In Vedenskiy Rayon, for example, servicemen belonging to the 506th Motorized Infantry Regiment discovered an abandoned guerrilla base in the gorge of the Bass River, 3.5 kilometers north of the population center of Khatuni. The Dudayevites' refuge consisted of well-constructed dugout shelters sleeping 20-30 men, stoves, and a stock of food. Well-equipped munitions dumps, which the bandits had abandoned when retreating, unable to carry the munitions away with them, were located alongside. The bulk of the munitions was destroyed on the spot. Some types, however, including tank shells, which the bandits use as mines, the latest MON-100 mines, and rounds of various calibers, were taken away by the reconnaissance troops. But one find made even highly experienced fighters shudder....

A few meters away from the bandit hideaway the reconnaissance patrol discovered dreadful evidence of the bandits' savagery: The bodies of 10 Russians — four officers and six men — shot by the separatists as they retreated, were found in a shallow pit barely sprinkled with earth. All of them, according to the doctors' conclusion, were killed by shots to the head. It is thought

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that the prisoners were working at equipping the forest camp and helping transport munitions. When the bandits were threatened with destruction, they ruthlessly shot their captives. This happened about two weeks ago. The weather is dreadfully hot in Chechnya and identifying bodies is very difficult at the present moment.

A lot is now being said about the federal troops' methods and results. There is a lot of fabrication of various sorts and downright lies on this score. The other day Major General Vladimir Shamanov, commander of the Russian Defense Ministry's Integrated Group of Forces in Chechnya, graphically demonstrated at a meeting with journalists the "techniques," as it were, and results of the so-called unorthodox search-and-destroy measures employed against the scattered bandit gangs. The movement of armed men in a hilly forested locality was spotted by reconnaissance. Assault troops were dispatched to search for them in accordance with a previously conceived plan. Thanks to the skillful organization of the ambush and the surprise element of the attack, the bandits were caught unawares. As a result, two well-trained and well-armed six-man bandit gangs were destroyed and their weapons, equipment, and documents seized. They were displayed by Maj Gen Shamanov as material evidence of the separatists' diehard nature; he stressed that all bandits who refuse to surrender their arms will continue to be destroyed. It is noteworthy that, judging by the captured documents, the bandit gangs included not just Russians (Ismail Derbichev, an Ingush, and Khisali Amuyev, Sulimon Nuraliyev, and others, who were Chechens) but foreign mercenaries — for example, a Yemeni citizen called Rafiq 'Abdullah al-Qubati. One of the groups destroyed included a sabotage expert.

The conclusion, in short, is obvious: The gunmen have switched to sabotage operations and terrorist actions. A Chechen Internal Affairs Ministry armored personnel carrier carrying out patrol and traffic control duty in Groznyy's Leninskiy Rayon has been blown up by a powerful mine. Intensive fire then opened up from the upper stories of nearby buildings. A Chechen policeman sustained a fatal wound, dying in hospital. On 17 July the federal forces' positions in Chechnya came under fire 13 times and Defense Ministry troops six times. Two servicemen died. There is another doleful statistic: Thirty-seven servicemen have died since the Nazran talks.

And this is called a truce.... Moreover, as Ruslan Martagov, press secretary to the Chechen Republic head of government, has stated, Zelikhman Yandarbiyev broadcast on clandestine "Ichkeria TV" one night recently and urged all Chechens "to destroy the members of the Chechen Republic Government and all Russians living in the republic and to wage war until ultimate victory is achieved." The "intellectual" Yandarbiyev seems to be sprouting Dudayev's hawk's wings. Or, to be blunt, the separatists are using bloodshed and terror in an attempt to force the authorities to take note of them. But the only comparison they conjure up in the mind is that of a cornered beast. When gorged with blood and hopelessly trapped wild beasts are specially dangerous and cannot be pacified....

Russia: Maskhadov Warns Chechen Rebels Against Terrorist Acts

LD2007193896 Moscow Russian Television Network in Russian 1900 GMT 20 Jul 96

[From the "Vesti" newscast]

[FBIS Translated Text] According to our correspondent in Chechnya, a statement by the chief of staff of the Chechen armed formations, Aslan Maskhadov, has been circulated in the mountainous areas of Chechnya in which he denounces acts of terrorism and banditry which are taking place on the territory of the Chechen Republic. The statement says in particular that all similar acts carried out without the separatist command's authorization will be severely punished.

Russia: Stepashin on Chechens Recruiting Teenagers

LD1907124496 Moscow 2x2 Television in Russian 1000 GMT 19 Jul 96

[Report by correspondents Igor Konstantinov and Viktor Krasnoyarskiy]

[FBIS Translated Text] The State Commission on Chechnya headed by Prime Minister Chernomyrdin has decided that it is essential to continue the peace talks with the leaders of the Chechen separatists. Russian Nationalities Minister Vyacheslav Mikhaylov stated this today. At the same time, he said, the Russian side is insisting that certain conditions be observed.

[Begin Mikhaylov recording] We must not retreat from the letter and spirit of the agreements that were signed. That is say, we must not mix up the issues of disarmament and the withdrawal of troops with political issues. [end recording]

In the view of the members of the state commission, the main threat to peace in Chechnya stems from fighters not subordinated to the separatists' official leadership, such as Salman Raduyev, who yesterday rose from the dead.

[Begin Stepashin recording] It really was Salman Raduyev, who was gravely wounded and whose

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appearance is somewhat changed because he has undergone plastic surgery. As for Dzhokhar Dudayev, despite the fact that Raduyev swore on the Koran and I shall not be swearing on the Koran, I can nevertheless state with 100 percent certainty that Dzhokhar Dudayev is not alive. [end recording]

According to Stepashin the fighters are embarking on extreme measures to restore their combat capability. They have gone so far as to recruit 12-15-year-old teenagers to their banner. For instance, a list of 100 such recruits was found yesterday near Vedeno. Sergey Stepashin also stated that a decision has been taken by autumn to halt so-called special operations in Chechnya using crack army units and to use only militia forces and the security bodies. While the Russian president's team, made up of old and new personnel, is studying the situation in Chechya and drawing up a peace plan, the fighters are preparing fresh subversive acts. The long-desired peace is Chechnya is having to be postponed.

Russia: Separatist Spokesman Says All Militants Under Control

LD2107135496 Moscow INTERFAX in English 1322 GMT 21 Jul 96

[FBIS Transcribed Text] SOUTH CHECHNYA, July 21 (Interfax) — The Chechen separatist leader Zelimkhan Yandarbiyev and the chief of the Chechen military headquarters Aslan Maskhadov fully control all armed groups, the information minister in the separatist government Movladi Udugov told Interfax Sunday.

"Shamil Basayev, Salman Raduyev and all other field commanders have obeyed the leadership and will obey it, there are no doubts about it," he said.

The spokesman said Raduyev who was severely wounded and experienced "a great emotional stress" has not regained his duties of field commander and not a single person is subordinate to him at the moment.

According to the official, Maskhadov has instructed his deputy to take preparatory steps to give Raduyev certain powers as a commander, if such a need should emerge. "However, the Chechen side does not have such a need today," Udugov said.

Meanwhile, in a Sunday interview with Interfax the separatist representative in Russia Vagal Tutakov said Raduyev is in permanent contact with Yandarbiyev with whom he has discussed future steps by the Chechen armed opposition among other things. He said Raduyev is fully under the command of Yandarbiyev and will remain so as long as he is confident that Russia stands by its commitments.

Commenting on Tutakov's statement Udugov said a number of tough declarations by federal officials, in particular the commander of federal troops in Chechnya Gen. Vyacheslav Tikhomirov, "are pushing to a situation in which some commanders will start acting independently, primarily in Russian territory."

Russia: Chechen Opposition Favors International Cease-Fire Control

LD2107111696 Moscow INTERFAX in English 0948 GMT 21 Jul 96

[FBIS Transcribed Text] Moscow, July 21 (Interfax) — The Chechen armed opposition favors the formation of an international commission to control the implementation of the ceasefire agreements reached in Moscow on May 27 and in Nazran on June 10, their representative in Moscow Vagal Tutakov told Interfax Sunday.

He returned from Chechnya Saturday where he discussed the matter with separatist leaders. He said they believe in the need for strict control over the observation of agreements and for finding concrete persons responsible for breaches of agreements. "There is no sense agreeing on anything without such control," Tutakov said.

In the opinion of the opposition leadership the international commission could consist of King Hasan of Morocco, Tatar President Mintimer Shaymiyev, former French president Valeriy Giscard d'Estain, Russian human rights activist Sergey Kovalev.

Opposition leaders authorized Tutakov to negotiate the formation of the commission with the federal side. He has already discussed the matter with a member of the federal delegation, chairman of the Duma committee for nationalities affairs Vladimir Zorin.

Russia: Chechen Separatist Agrees To Meet Federal Army Commander

LD2007105196 Moscow INTERFAX in English 1019 GMT 20 Jul 96

[FBIS Transcribed Text] CHECHNYA, July 20 (Interfax) — The chief of staff of Chechen separatist forces Aslan Maskhadov "consented" to meet with the commander of the North-Caucasus Military District Cl. Gen. Anatoliy Kvashnin, spokesman for Chechen separatists Movladi Udugov told Interfax on Saturday.

In the meantime several days ago sources in the federal command in Chechnya said that the idea of holding such a meeting belonged to Maskhadov.

According to Udugov, Maskhadov believes that participants in negotiations should discuss the implementation

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of the document signed by the delegations of the federal center and the Chechen opposition in Nazran (Ingushetia) on June 10.

"This must concern the implementation of the package of military issues which provides for unblocking population centers and withdrawing Russian troops," Udugov pointed out.

He quoted Maskhadov as saying that "the Chechen side is willing to contribute to the withdrawal of Russian troops without losses."

According to Maskhadov, under the circumstances there is a need to involve in the peace process in Chechnya the U.N. as "a go-between and guarantor with the use of international peacekeeping forces or raise the status of the OSCE [Organization for Security and Cooperation in Europe], also using international peacekeeping forces."

The separatist leader Zelimkhan Yandarbiyev shares this view, Udugov said.

With reference to the current situation in the south of Chechnya Udugov claimed that the federal troops are continuing military actions in Itumkali and Shatoy Districts, and in the mountains of Vedeno District, particularly outside the town of Kharachoy.

According to him, the federal troops are using aircraft and artillery.

Udugov accused the command of Russian troops of having increased the number of roadblock posts and strengthened the siege of towns in Shali and Kurchaloy Districts.

The rebels, Udugov maintained, refrain from entering into vigorous military actions in strict accordance with orders issued by the so-called national defense committee; they only "take local defense measures in combination with special operations." The name of the operation approved by the "national defense committee" is "Coercion to Peace," he said.

Russia: Federal Forces Begin 'Major Operation' in Chechnya

LD2007155396 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 20 Jul 96

[FBIS Translated Excerpt] The war in Chechnya is entering, or has already entered, a new phase. Federal forces today began a major operation to wipe out an armed opposition base near the village of Shatoy. This was reported to INTERFAX by Igor Melnikov, head of the press office at the joint federal command. He said fighter aircraft and artillery are taking part in the operation, which is being hampered by poor weather conditions. According to Igor Melnikov, 60 rebels have been killed and the federal side has lost four men killed since the operation began.

These reports were confirmed to our radio station this afternoon by Movladi Udugov, spokesman for the Chechen opposition.

[Begin unidentified speaker recording] Aircraft have been operating in the area for virtually four days now without a break. They are dropping heavy bombs and carrying out rocket attacks. Since early this morning, Russian ground-attack aircraft and bombers have been flying in waves from the direction of Khankala towards Shatoy. The latest figures we have are 15 killed and several dozen wounded, up to 40 or 45. These are not definitive figures and are being clarified. Also, villages in Shalinskiy and Kurchaloyskiy districts have been sealed off and there have been some skirmishes in parts of Vedenskiy district. [end recording]

[Announcer] Security Council Secretary Aleksandr Lebed was expected in Groznyy today, the ARGUMENTY I FAKTY news agency reports, although it does not say who was expecting him. Doku Zavgayev, head of the Chechen Republic, thinks the visit will take place but not in the coming few days. According to Zavgayev, Lebed is capable of bringing a positive influence to bear on events in Chechnya. [passage omitted]

Russia: Federal Troops Continue Operation in South Chechnya

LD2107134996 Moscow INTERFAX in English 1221 GMT 21 Jul 96

[FBIS Transcribed Text] GROZNYY, July 21 (Interfax) — There is a temporary break in the operation to destroy a well-equipped militant base in the mountains near Shatoy, south Chechnya, a spokesman for the federal command told Interfax at 3 p.m. Sunday.

He accounted the lull to bad weather - low clouds, a drizzling rain and fog complicate the operation of combat aviation that attacked militants Saturday and Sunday.

About 60 militants, two mortars and large-caliber machine guns have been destroyed in the operation.

On Saturday the head of the federal command press center Igor Melnikov quoted intelligence sources as saying that 250-300 militants were staying at the base the approaches to which are well-fortified.

He said after regrouping federal units planned a resolute large-scale offensive.

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Russia: Bomb, Rocket Strikes Continue 'Non-Stop' in Chechnya

LD2007121096 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1116 GMT 20 Jul 96

[FBIS Translated Text] "The situation on the ground in Chechnya is characterized by the continuation of military operations," Movladi Udugov, the information and press minister of the government of the self-proclaimed Republic of Ichkeriya, said in an interview for the Ekho Moskvy radio station.

"The greatest concentration of troops and combat activity is being observed in the Shatoyskiy and Itum-Kalinskiy districts south of Chechnya. Heavy bomb and rocket strikes have been delivered non-stop from the air in these districts now for practically four days. Russian ground-attack aircraft and bombers have been heading in that direction one after the other since early morning. According to incomplete reports, 15 people are dead and 40 to 45 wounded. Russian troops are besieging towns in Shalinskiy district. Local combat clashes have been observed in the highland part of Vedenskiy district," according to Udugov.

Russia: Federal Forces Attack Base Near Shatoy, Kill 60 Rebels

LD2207101696 Moscow INTERFAX in English 0901 GMT 22 Jul 96

[FBIS Transcribed Text] Groznyy, July 22 (Interfax) — "A real war is raging in Shatoy" where Russian troops continued their assault to destroy a rebel base in the Chechen mountains on Sunday, an informed source in Groznyy said.

The source told Interfax on Monday that federal forces destroyed about 60 rebels, two mortar crews and two large-caliber machine-guns, losing six people.

Bad weather prevents federal forces from launching large-scale fighting. However, frontal aviation delivered a number of strikes on rebel positions identified in intelligence reports on Saturday night and early on Sunday.

Igor Melnikov, the spokesman for Russian troops in Chechnya, cited intelligence reports as indicating that up to 250-300 rebels are staying at the base, the approaches to which are well guarded.

He said that after regrouping, federal forces intend to launch a decisive offensive on a wide front.

Russia: Paper Reports Aftermath of Failed Voronezh Explosions

MM1907194296 Moscow TRUD in Russian 20 Jul 96 p 1

[Report by Aleksandr Danilkin: "Station Could Have Been Blown Sky-High. Terrorists Have Prepared a New Crime — This Time in Voronezh"]

[FBIS Translated Text] Yesterday Voronezh became another particularly popular city with journalists. The reason: another very daring attempt to commit an act of terrorism. The city's Internal Affairs Main Administration told us that at 0610 hours Friday morning passengers in the waiting room of Voronezh-1 Train Station witnessed the explosion of the detonator of an explosive device. It was not a powerful explosion, but when policemen arrived on the scene what they saw made a very strong impression even on them. They discovered in a shopping bag made of raincoat material 1.5 kg of trinitrotoluene which, fortunately, did not explode. An investigation of the scene made it possible to detect a terrible new find: A further 1.5 kg of TNT was concealed in a package not far off. If the entire "infernal machine" had gone off, the station evidently could have been reduced to ruins, and the surroundings, installations, and people would all have suffered.

The entire Voronezh police was called out. These are the first conclusions drawn by specialists on the spot: The saboteurs reckoned that no eyewitnesses at all could survive the explosion. Fortunately, eyewitnesses did survive, and the law-enforcement organs already have Identikit pictures of the people who, so the eyewitnesses claim, brought the bag and package into the station building. According to the available evidence there were three terrorists — two women and a man. An active search for the criminals has begun. Despite all the available signs, however, difficult work lies ahead. At first it was assumed that all the suspects were from the Caucasus, but some eyewitnesses maintain that the man — it cannot be ruled out — was of Slav origins.

Voronezh detectives have reported that they are not sticking just to one version. For example — the "Chechen connection." But some details have had to be recalled from the past. It is known that back in the winter the Chechen terrorist Salman Raduyev let drop, whether accidentally or not, this sentence: "It is all the same to me where I die — in Pervomaysk or Voronezh." It is also pointed out that the attempted explosion in Voronezh coincides with Raduyev's reappearance in Chechnya after being wounded and going abroad for treatment.

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All staffers of the power departments in the oblast are now engaged in tracking the terrorists down. They are making searches and checking documents. The terrorists are being sought not only in Voronezh Oblast but, reportedly, in more than 20 oblasts. Special attention is being paid to railroads.

Federal Security Service staffers and policemen from Moscow have come to the assistance of their Voronezh colleagues. Everything is being done to make a skilled expert appraisal of the explosive devices as quickly as possible.

Hitherto Voronezh has not been noted for outbreaks of terrorism. The biggest event of this kind was when a grenade exploded after being thrown into a police booth by some Georgian two weeks ago. On that occasion one policeman died and another was injured, while the "bomber" himself lost a hand. It is known that Novovoronezhskaya Nuclear Power Station — an installation that poses heightened danger — is in the environs of the city, a few dozen kilometers away. But the station has been under intensified protection for over a year now, and terrorists have virtually no chance of getting at it. Nevertheless, additional measures have been taken to guard the nuclear electric power station.

Representatives of the special services hope that they have sufficient information to catch the terrorists. Then it will be possible to draw some conclusions as to whether this attempted explosion is connected with the explosions on the Moscow trolleybuses.

Russia: Police Detain Suspect in Failed Attack on Voronezh Station

LD2107111996 Moscow ITAR-TASS in English 1112 GMT 21 Jul 96

[By Anatoliy Starukhin]

[FBIS Transcribed Text] Voronezh July 21 (Itar-Tass) — A woman suspected of a failed attempt to explode the main railway station in the Russian central city of Voronezh was detained by police and it will become clear whether she was one of the three wanted terrorists only by Monday morning.

Chief transport police officer Vladimir Krasnov told Tass on Sunday that the woman fully corresponds to the identikit compiled by eye witnesses who saw the terrorist leave two bags with explosives at the railway station. However, it is not possible to definitely identify her as the witnesses are outside the city for the weekend.

"It is yet impossible to be 100 per cent sure that one of the three wanted terrorists had been detained. Her appearance fully coincides with the identikit, however, it is difficult to summon the eye witnesses as practically all of them are in the countryside", he said.

Krasnov added that everything will be clarified not later than by Monday morning.

On Friday one man and two women left two bags in the central railway station of Voronezh in which two explosives equivalent to three kilogrammes of TNT were hidden. The detonator went off, however, no explosion followed by lucky chance.

The bombs could have destroyed the railway station building completely.

Economic Issues

Russia: IMF Seen as Needing To Make Hard Choice

MK2007100296 Moscow SEGODNYA in Russian 19 Jul 96 p 1

[Report by Aleksandr Bekker: "Stanley Fisher Has Looked Into an Abyss"]

[FBIS Translated Text] In the flow of news, information about the conversation between Viktor Chernomyrdin and IMF Deputy Director Stanley Fisher, the second man in the Fund, has been relegated to the background. Meanwhile, what was said in a 15-second report shown only by NTV was dramatic in its implications. Neither the speech by Vladimir Kadannikov, who spoke on the same day at the Federation Council about the huge budget deficit, nor the briefing at the State Duma by Mikhail Zadornov, who spoke of "a serious and ever increasing economic crisis," failed to produce as great an impression as did the premier's two phrases addressed to the guest from Washington. Mr. Chernomyrdin asked the IMF to support the government and told Mr. Fisher that a special post of an official responsible for the collection of taxes would be instituted in the cabinet.

Clearly, it was not moral support that the head of the [Russian] White House called for: The West has long defined its stance regarding political preferences. As for the financial aspect, in the period before the election there were unambiguous signs of respect on the part of Germany and France, having allocated credits to Moscow worth 4 billion German marks and 1 billion French franks; the IMF, too, readily provided two tranches of EFF [extended fund facility] credit worth $760 million. In a word, in his conversation with Mr. Fisher, Mr. Chernomyrdin meant support of another kind.

It seems that the point was to revise the rigid parameters of inflation, of the budget deficit, and of the printing of

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money envisioned in the program of the government and the Central Bank. In March, this program was coordinated with the IMF and it became the "trigger" for the allocation of an "extended" EFF credit by the Fund. Since then, however, the situation has changed, and the premier must have asked, in a tactful way, that the IMF's deputy director discuss in Washington the possibility of easing the terms of the memorandum for Russia, without questioning the receipt of the next tranches.

Life itself is driving the government beyond the limits of the monetary emissions, net internal assets, and net international reserves earlier approved by the IMF. Literally, a high price has been paid for the election of Boris Yeltsin. The gold stock has diminished by a factor of 1.9; money from the securities market has been pumped out at a disastrous interest rate; and half of budget revenues, including external loans, have been used to pay wages, pensions, and, in fact, for nonrepayable loans to the provinces. With enormous efforts, the cabinet of Chernomyrdin has managed to maintain monetary aggregates "within normal limits."

Even now, however, after 3 July, we cannot sigh in relief. Wage arrears and debts to the Pension Fund keep growing again; starting in August, 25-30 trillion rubles will have to be redeemed monthly for state short-term bonds issued in April-June; and the Finance Ministry will need to repay 10-15 trillion rubles for credit received from commercial banks. In addition, there are such pressing factors as navigation in the North and the delivery of supplies there....

Of course, the government will move against arrears and budget defaulters, but this will further complicate the payments situation between enterprises and will aggravate the payments crisis. Without doubt, the Finance Ministry will stop to make "a clean sweep" on the entire money market, but how, then, will the budget deficit be funded? Clearly, rates for state short-term bonds will be brought down to approximate the rate of inflation, but, at such an interest rate only foreign investors will be able to buy them, which could potentially lead to a crisis comparable to that in Mexico in December 1994. It is quite obvious that the economy is no longer able to bear the burden of unprofitable enterprises, but massive bankruptcies are capable of triggering an upsurge in unemployment and of provoking an explosion of people's "frustrated expectations." So every avenue comes up a dead end.

Most probably, Mr. Fisher did not fail to chide the authorities: How on earth are you, gentlemen, going to solve your budgetary problems if you are collecting just 60 percent of the taxes? It was at this point that the premier, admitting that the reproach was fully justified, spoke of the new fiscal post in the government. This must have happened spontaneously in the course of the conversation, prompted by a feeling of awkwardness. It would be strange indeed to institute a special "publican" in the government, since there is already the "iron" Vitaliy Artyukhov, deputy premier and head of the State Tax Service, whose duty is precisely to procure taxes. He has already made it hot for local tax inspectorates, which — together with the tax police, Interior Ministry investigators, and other federal services — have undertaken to replenish the budget.

That notwithstanding, some experts believe that neither the imposition of a harsher tax discipline, nor the large-scale abolition of tax and customs privileges will help to avoid a crisis in the country in the near future. Therefore, two solutions are left. The first is to freeze state obligations under securities, with all this implies: the bankruptcy of banks, their nationalization, and the indignation of millions of depositors. The second solution is to adhere to inflationary coverage of the budget deficit — an approach that has been abandoned with such difficulty and seemed to have been given up forever. "I hate this option, but the former one is simply unacceptable," a government member said.

Mr. Chernomyrdin has perhaps taken advantage of Mr. Fisher's visit in order to explore the ground: Will the IMF be ready for concessions? If this supposition about the character of their dialogue is correct, the headquarters in Washington has been presented with the need to make a hard choice. To endorse the deviation of Russia from the parameters of its monetary policy means to create an unwelcome precedent and to evoke bitter criticism of the Fund on the part of, for instance, the Republicans in the U.S. Congress. As for developing countries, they have been already been watching jealously the "IMF's dance with Russia" and have been shown a critical attitude to Michel Camdessus' desire to use the "special drawing rights" (SDR) program — an IMF loan on the most favorable terms — largely for Russia.

Thus, for the IMF to sanction the violation by Russia of the Memorandum on Monetary Policy means to undermine its own position. At the same time, to say a firm "no" would mean to agree to a sure cooling-off of relations, should the partner decide to insist on having its own way. Should the Russian Government obey, however, the IMF would have to share responsibility for the possible upheavals in Russia as a result of a rigid monetary course. In this case, the IMF will not escape the criticism of the G-7 countries for political inflexibility and for the failure to take the specific features of the "patient" into consideration.

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Russia: Chernomyrdin Heads Economic Task Force on Stability

LD2207091196 Moscow INTERFAX in English 0818 GMT 22 Jul 96

[FBIS Transcribed Text] MOSCOW, Jul 22 (Interfax) — A task force headed by Prime Minister Viktor Chernomyrdin has been set up in the Russian government in an effort to stabilize the country's financial and political situation.

Mikhail Kopeikin, head of the economic reform department in the Russian Economic Ministry, told Interfax that the task force will try to normalize the budget situation, which is regarded as critical, in the coming two to three months. He said that the task force had held several meetings and Chernomyrdin had signed several documents approved at the meetings.

First Deputy Prime Minister Vladimir Kadannikov and Economics Minister Yevgeniy Yasin are Chernomyrdin's deputies in the task force while Yakov Urinson, first deputy economics minister, is its secretary, Kopeikin said.

Simultaneously, a team of Economics Ministry experts are drafting documents which will outline the government's economic policy in the second half of 1996. The experts will concentrate on the stepping up of tax collection, the improvement of the customs office performance and on instilling order in the alcohol market, he said.

Excise officers and excise checkpoints will be appointed to the largest wine and ethyl alcohol factories, Kopeikin said. The issuance of licenses for the production of vodka and ethyl alcohol will be streamlined, he said.

Wholesale markets, banks and natural monopolies will be checked for tax payment, Kopeikin said. Individual schedules of payment of overdue taxes may be agreed on for certain debtors, he said. Most of treasury tax exemptions, issued earlier, will be canceled, Kopeikin said. On the other hand, these steps will not lead to a heavier tax burden, he said.

The new economic policy should lead to a reduction in the profitability of Treasury bills [T-bills]. According to a report sent by a team of experts to Chernomyrdin, the state's domestic debt has grown from 12 to 18 percent of the GDP in April and May, Kopeikin said. The profitability of T-bills has to be reduced in order to cut budget spending, he explained. For this reason the financing of numerous state programs may have to be cut, Kopeikin said, and certain of the costliest presidential decrees may be revoked, he said.

Russia: Sakhalin Businessman on Oil-Gas Schemes' Benefit for Russia

MM2207102396 Moscow ROSSIYSKIYE VESTI in Russian 19 Jul 96 p 2

[Report by Valeriy Golovin: "There Will Be a Twenty-fold Increase in Oil Extraction in Sakhalin..."]

[FBIS Translated Text] Yuzho-Sakhalinsk — Work has begun on the "Sakhalin-1" and "Sakhalin-2" projects. As a result of their implementation, oil extraction in the region will increase from 1.5 million to 30 million tonnes, and gas extraction from 1.9 billion to 28 billion cubic meters. Sergey Bogdanchikov, general director of the "Sakhalinmorneftegaz" Joint-Stock Company, stresses in this connection that it will be necessary to invest $25 billion over 10 years.

Major companies such as Exxon, Shell, Mobil, and Texaco are involved in implementing the project. It is noteworthy that, despite such a huge level of investment, 70 percent of the work will be done by Russian enterprises, above all defense complex enterprises. Some 30,000 extra jobs will have to be created, of which 20,000 will be in Sakhalin and Khabarovsk and Maritime Krays. S. Bogdanchikov claims that agreements to exploit the Sakhalin shelf are extremely profitable for Russia. Under one of the projects our share will constitute more than 70 percent, and under the other, more than 50 percent. For example, gas alone will bring the region 15 billion cubic meters, two-thirds of which will go to Khabarovsk Kray.

"The implementation of the 'Sakhalin-1' and 'Sakhalin-2' projects sends an eloquent message to foreign investors: It is possible to work in Russia, it is profitable to work in Russia!" Russian President Boris Yeltsin stressed in his address to the participants in the Sakhalin agreements and to all the inhabitants of the Far East region.

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International Affairs

Ukraine: Commentary Welcomes Planned 'Kuchma-Gore Commission'

AU1907122596 Kiev HOLOS UKRAYINY in Ukrainian 18 Jul 96 p 2

[Commentary by Nadiya Bedrychuk: "'Kuchma-Gore' — Not So Unrealistic"]

[FBIS Translated Text] This week portraits of the Russian prime minister and U.S. vice president have been adorning the pages of Ukrainian and Russian newspapers, reminding their readers about the vigorous activity of the "Chernomyrdin-Gore" Commission. Such cooperation is also possible with our country, Ukrainian observers believe.

On 17 July, a delegation of representatives of the U.S. State Department were working in Kiev. It was discussing the creation and activities of a "Kuchma-Gore" commission. The American delegation included Strobe Talbott, U.S. assistant secretary of state, and Ambassador James Collins, coordinator for assistance to newly independent states.

One can understand the interest of the overseas guests in the republics of the former Soviet Union: The intensification of American-Russian relations is due to the results of the presidential elections in the Russian Federation. Washington repeatedly stated that it would maintain closer ties with Boris Yeltsin than with his communist challenger.

The same "democratic" approach holds in the case of Ukraine. The rejection of old dogmas may also be voiced in ways other than through presidential elections. For example, through the adoption of a new democratic constitution. Yuriy Shcherbak, Ukraine's ambassador to the United States, stated in his speech before the Americans that the passing of the Main Law "had dealt a heavy blow to the communists and other left-wing radicals in Ukraine and abroad, who dreamed of restoring the Soviet empire and of the communist ideology." No wonder such actions and speeches strengthen our state's prestige abroad, where people watch anxiously every vacillation in the political course of the former USSR republics.

Thus, our ties with the United States are becoming stronger. It is expected that the future "Kuchma-Gore" commission will discuss a wide range of issues. In particular, economic and trade cooperation, which must grant access for Ukrainian goods to the American market and will also promote protection of the U.S. intellectual property in our state. There also are joint projects in the sphere of space.

Most likely, issues of nuclear safety, nuclear nonproliferation, environmental problems, and assistance to Ukraine in eliminating the aftermath of the Chernobyl catastrophe will be addressed separately.

Of course, these are just plans so far. They are perfectly realistic plans, however, because the two countries are willing to cooperate.

Ukraine: Kiev Denies Knowledge of Raduyev's Stay in Ukraine

LD1907173996 Moscow INTERFAX in English 1719 GMT 19 Jul 96

[FBIS Transcribed Text] KIEV, July 19 (Interfax-Ukraine) — The Ukrainian Interior Ministry has no information about Chechen field commander Salman Raduyev's stay in Ukraine, Deputy Interior Minister Yuriy Vandin told Interfax-Ukraine Friday.

Commenting on Russian TV reports that Raduyev underwent an operation in Kiev and then was treated in Crimea, Vandin said that "doctors must report to the Interior Ministry about all firearm or knife wounds of their patients."

"We did not receive reports about this man," he said.

National Affairs

Ukraine: National Assembly Seeks Cooperation With Government

LD2007141296 Kiev UNIAN in Ukrainian 1315 GMT 20 Jul 96

[FBIS Translated Text] Kiev — The Ukrainian National Assembly [UNA] is no longer satisfied with the role of opposition, and is seeking large-scale cooperation with the government, Dmytro Korchynskyy, leader of the organization, told the party's constituent congress, which opened on 20 July. He said the change in UNA's political course is aimed at achieving political victory by constitutional means. "If six months ago UNA was thinking about its own survival, today the party is thinking only about a victory in the political struggle," Korchynskyy stressed.

He said the constituent congress is "to some extent in violation of the UNA's principles," because party members are ignoring the fact that Justice Ministry annulled the UNA's registration. Korchynskyy said the constituent congress "legalizes the UNA's activities on the eve of future political disturbances."

Korchynskyy said "the UNA will direct all its efforts toward protecting the Ukrainian Constitution — the party's one and only ally." He believes "the Ukrainian

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state should lean on mighty political forces, primarily on the UNA, if it wants to survive."

At the congress, 87 delegates from 14 regions of Ukraine and 150 guests have been registered. Korchynskyy said four delegations have failed to arrive because of the "obstacles put in their way by Ukraine's special services."

Ukraine: Prosecutor General To Appeal Dismissal by Prime Minister

LD1907123396 Moscow INTERFAX in English 1450 GMT 19 Jul 96

[FBIS Transcribed Text] Donetsk, July 18 (Interfax-Ukraine) — Henadiy Vasilyev, Public Prosecutor General of Donetsk region, reserves for himself the right to appeal to the court following Premier Pavlo Lazarenko's statement about his dismissal soon.

A statement to this effect was made in interview with an "IF-U" correspondent yesterday by Natalya Shaptala, aide to the Donetsk regional Public Prosecutor.

According to her, following the adoption of the new Constitution (on June 28, "IF-U" note), the Public Prosecutor of Donetsk, who is at the same time deputy of Ukraine's Verkhovna Rada, decided to resign from that office and take up a permanent job in Parliament. He addressed a letter to this effect to the Public Prosecutor General of Ukraine on July 9.

On July 12, N. Shaptala said, addressing the collegium of the Public Prosecutor General's Office in the presence of the President of Ukraine, the Public Prosecutor General read out Order #503-K, meeting the request of the Public Prosecutor of Donetsk region, and relieving him of his duties in connection with his permanent job in Verkhovna Rada.

N. Shaptala emphasized that, by his statement, P.Lazarenko had insulted not only H. Vasilyev personally, but the whole staff of the Donetsk regional Public Prosecutor's Office.

Upon return from Donetsk in the evening on July 16, Ukrainian Prime Minister Pavlo Lazarenko told a press-conference in Boryspil airport that "a decision has been taken to relieve the Donetsk regional Public Prosecutor and the administration of the regional Security Service of their duties for poor performance".

Ukraine: President Kuchma Leaves Kiev for Crimea Vacation

WS2207073296 Kiev INTELNEWS in English 0048 GMT 22 Jul 96

[FBIS Transcribed Text] Kiev, July 20 — President Leonid Kuchma left Saturday for vacation in Crimea after a flurry of meetings. Kuchma met with Communist Deputies Valentyna Semenyuk, Liberal Party faction deputies Olena Krandakova and Volodymyr Ampilohov. Before leaving, Kuchma also met with Viktor Pynzenyk, acting deputy prime minister on economic reforms, to discuss tax system reform. Kuchma also met with Industry Minister Valeriy Mazur.

Ukraine: Supreme Council Head Says State of Emergency 'Unnecessary'

LD2207103696 Kiev UNIAN in Ukrainian 0830 GMT 22 Jul 96

[FBIS Translated Text] Kiev — Oleksandr Moroz, chairman of the Ukraine Supreme Council [parliament], believes that the introduction of "elements of the state of emergency" in Ukraine, in connection with the attempt on the life of Prime Minister Pavlo Lazarenko, is "unnecessary."

He told UNIAN that "additional measures will be taken to guard persons who are protected by the state." At the same time, Moroz said it was necessary to introduce a "special" or "emergency" regime in the economy. He believes that the solution to problems facing the state, including issues of state security, should lie "in this very plane." Strict control over banking operations, the use of budgetary funds and "possibly some modification of the procedure for settling accounts between businesses" should be the main components of the special regime, the head of parliament believes.

Moroz also said that the notion of "the state of emergency" and a procedure for putting it into effect should be determined by law before the state of emergency is declared or its elements are introduced.

Economic Issues

Ukraine: Crimean Government Offers Guarantees to Foreign Investors

MK2007130696 Moscow KOMMERSANT-DAILY in Russian 20 Jul 96 p 4

[Report by Leonid Terentyev: "Crimea Wants To Become an Island Free From Any Risks"]

[FBIS Translated Text] On 18 July, the law of the Republic of Crimea "On Foreign Investments" came

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into force. Crimean Prime Minister Arkadiy Dimidenko, who is pinning great hopes on this law, said that the Crimean government would act as a "guarantor for investors."

The law "On Foreign Investments" specifies the legal and economic grounds for foreign investments on the territory of this peninsula. In accordance with the law, "the legal order of investments on the territory of Crimea cannot be less favorable than that established by the relevant law of Ukraine."

Article 8 of the law needs to be specially emphasized since it protects an investor from political risk: "Should the conditions of investment protection be altered by any special law of Ukraine or Crimea, on an investor's demand, the laws that were in effect at the time the investment was registered will continue to apply to these capital investments for a period of 10 years." Investments in Crimea will be protected against nationalization: State authorities will not be able to confiscate them, except in the event of "rescue operations and natural calamities." In addition, investors will have the right to the redemption of losses incurred as a result of actions of the Crimean state authorities that are in contradiction of the law.

Moreover, investors "are guaranteed that their revenues, profit, and other funds will be transferred abroad without hindrance and without delay." As for property being imported to Crimea as an investor's contribution to a joint venture to be set up, it will be exempted from any customs duties and import taxes. The licensing regime and export quotas do not apply to products to be exported by enterprises with foreign investments, if these products "were manufactured or were subjected to substantial reprocessing with the use of enterprise's own facilities and if they have a corresponding certificate issued by the Crimean Chamber of Commerce and Industry."

Crimean Prime Minister Arkadiy Dimidenko is counting on a serious influx of investments — above all from Russia and Ukraine — after the law is adopted. This will be further facilitated by Leonid Kuchma's edict whereby the Crimean government has been given the right to act as a guarantor for foreign investors. Dimidenko said that over 500 applications for participation in the international forum "Crimea-96," due to be held in October, had been received from businessmen. In his opinion, business activity will also be promoted by the creation in Crimea of an agricultural stock exchange, which will start its work in August-September.

Ukraine: Article Blames Legislation for Low Foreign Investment

AU2207113096 Kiev HOLOS UKRAYINY in Ukrainian 17 Jul 96 p 5

[Report by Lyudmyla Fisyun: "Foreign Investments as a Reflection of Ukrainian Reforms?" — first paragraph published in a box]

[FBIS Translated Text] The Ukrainian economy presently needs $40 billion in investments. However, it is not enough to reach an agreement on the sum (it was first quoted by Roman Shpek, head of the Agency on Reconstruction and Development, at an international conference of private investors and was then recently confirmed by the World Bank experts during a traditional "roundtable" for journalists). A banal question has remained unanswered: From where to get the money?

As Borys Sobolyev, president of the Ukrainian State Credits-Investment Company, explained, the United States has invested the largest sum of money — $220 million; Germany — $200 million; Great Britain — $170 million; and Cyprus occupies fourth place in terms of generosity. The country has received a total of a little more than $900 million.

According to Edilberto Segura [name as transliterated], head of the World Bank mission in Ukraine, the volume of direct investment in Ukraine may increase 10-fold over the current year compared to last year. He also said that, in 1996, the World Bank intends to provide a $1 billion credit, including that for reforming the financial sector, in the form of export guarantees and so on. Given that, at the beginning of 1995, the volume of capital investments amounted to $450 million, if it now grows ten-fold, the total sum will be, at best, one-tenth of what is actually needed. However, even this is in great doubt. So far, it has been very rare that harmony could be achieved between forecast and real life.

The future flow of investments into our economy will primarily depend upon the legislative preconditions in Ukraine itself. As Canadian parliamentarians pointed out "confidentially," these preconditions are not good.

Well, Canada has the technology for developing oil fields at great depths and is ready to share its experience with Ukraine. After mastering it, for example, in Poltava Oblast and in the western region, we might partially resolve the painful energy problem. However, the Ukrainian investment legislation does not inspire Canadian oil-processing specialists. The five firms that are trying to work anyway find it very difficult.

A logical conclusion: To improve the legislation. Incidentally, this is the objective of the Canadian-Ukrainian

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project for parliamentary cooperation and legislative education that came into force last week and, that, according to David Kilgori [name as transliterated], deputy chairman of the Chamber of Commons, "is aimed at supplementing the Constitution with clear, efficient, and democratic laws," including reform in the power engineering branch.

The cost of the project is $4 million from which $2.2 million will be invested by the Canadian Agency for International Development, and the rest — by private persons, corporations, and foundations. Canada already has such cooperation with Russia, Hungary, Poland, and Lithuania.

The project is meant for three years. Perhaps, something can be done in this period of time. However, the following fact makes one wonder: On 10 July, not a single Ukrainian deputy or a more-or-less high-ranking official, not even those representing the State Committee for Oil, Gas, and Oil- and Gas-Processing Industry, came to the first session of the leading committee on the project in Kiev....

Yet another fact pertains to the credit for manufacturing Czech trams for Ukraine. The new cabinet of Vaclav Klaus proposes $17.5 million for 3.5 years with a government guarantee. This will be sufficient for manufacturing 88 new trams, of which Kiev will receive 35 and Dnipropetrovsk and Dniprodzerzhynsk 22. However, the deal is at a standstill. As Pavel Safarik, representative of "Inekop-Praha" in Ukraine, explained, all attempts so far to bring together officials from Kiev and representatives of local administrations from Odessa, Dnipropetrovsk, and Dniprodzerzhynsk have failed, even though Czech trams are known in Ukraine; they are reliable and not very expensive, because they will be manufactured by the joint Ukrainian-Czech enterprise "Tatra-Yug" in Dnipropetrovsk.

Of course, several negative examples will not spoil the investment climate. However, the trouble is that they smack of a trend rather than accidental flaws: We do not value what we have and lament when we lose it.

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Belarus

Belarus: Ukraine, Belarus, Poland Discuss European Security System

LD2007151596 Moscow INTERFAX in English 1355 GMT 20 Jul 96

[FBIS Transcribed Text] KIEV, July 20 (Interfax-Ukraine) — Foreign Ministers Hennadiy Udovenko of Ukraine, Vladimir Senko of Belarus and Dariusz Rosati of Poland met in Brest (Belarus) Saturday [20 July], Ukrainian Foreign Ministry press office told Interfax-Ukraine.

The sides discussed the creation of a common European security system and approaches to a security model for the 21 century Europe, which will be the issues on the agenda of an OSCE [Organization for Security and Cooperation in Europe] summit in Lisbon in December.

The ministers also discussed cooperation in international organizations and trilateral humanitarian, scientific and technological cooperation.

The sides expressed satisfaction with the talks and spoke in favor of holding such meetings on a regular basis.

Belarus: NATO Not To Deploy Nuclear Weapons on Eastern Member States

LD1907181996 Moscow INTERFAX in English 1631 GMT 19 Jul 96

[FBIS Transcribed Text] MINSK, July 19 (Interfax) — NATO leaders have decided not to deploy nuclear weapons in the East European countries which want to join the alliance, James Collins, U.S. special ambassador in the CIS, told a news conference in Minsk at the end of hir one-day visit to the Belarusian capital.

The NATO leaders do not think that it will be necessary or desirable to deploy nuclear weapons there, he said.

The U.S. administration will consider carefully the Belarusian parliament call for non-deployment of foreign military bases in East European countries, Collins said.

As he met with Supreme Soviet Chairman Semyon Sharetskiy, Prime Minister Mikhail Chyhir and Belarusian Security Council's State Secretary Vladimir Sheyman, he tried to assure them that the NATO enlargement will be an open and transparent process, he said. This process will not harm other countries and should not be viewed as another division of Europe, Collins said.

Belarus: Talks With U.S. Envoy James Collins Reviewed

WS2207081496 Minsk BELAPAN in English 0632 GMT 22 Jul 96

[FBIS Transcribed Text] Minsk, 19 July — James F. Collins, U.S. Ambassador-at-Large to the New Independent States, completed his visit to Minsk on July 19. The visit resulted in signing a U.S.- Belarus Bilateral Assistance Agreement by US Ambassador Kenneth Yalowitz and Belarusian Minister of Foreign Economic Relations Mikhail Marynich. This Agreement is expected to make it more economical and effective for the USA to provide support such as food products, medical supplies, technical equipment and educational materials to Belarus. The Agreement provides for easy access and tax-free import of all assistance commodities. It also ensures that U.S. foreign assistance personnel, U.S. citizens as well as third country nationals are exempt from Belarusian income tax. According to the agreement, all materials donated by the USA will be used for purposes mutually determined by both parties, including for assistance to victims of the Chernobyl tragedy. The agreement also reads that if US inspection teams find that materials are not being used as agreed, the Belarusian government will refund the USA the value of such commodities.

During the visit Mr Collins had talks with Belarusian Prime Minister Mikhail Chyhir, Chairman of the Supreme Soviet Syamyon Sharetski, Chief of the Security Council Viktar Sheyman, and Minister for Foreign Affairs Uladzimir Syanko. The parties discussed questions concerning cooperation, especially in the economic sphere and the problem of security and stability in Europe. Both parties expressed content with the recent ratification of an agreement on the mutual protection of investments by the U.S. Senate, as well as with the realisation of a number of joint economic projects, including the joint venture with the Ford Motor Company. As Mr Collins said at a news conference held at the US Ambassador's residence on July 18, the parties also discussed the possibility of adopting legal conditions capable of being a reliable basis for the development of bilateral relations, including the improvement of tax laws and the implementation of privatisation programmes.

The parties also dwelt on the problem of NATO's eastward expansion. Mr Collins said that NATO had decided not to deploy nuclear weapons on the territory of new member states. According to him, the North Atlantic Alliance changed radically after cutting its nuclear arsenal by approximately 90 percent. Mr Collins said that his visit to Minsk was one more opportunity to express U.S. President Bill Clinton's certainty that the development and formation of new security structures

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in Europe is by no means aimed at its new redivision and carried out through the infringement of the security interests of any states.

Belarus: Minsk Outlines Plans To 'Denuclearize' Central Europe

LD1907181596 Moscow INTERFAX in English 1631 GMT 19 Jul 96

[FBIS Transcribed Text] MINSK, July 19 (Interfax-West) — The Belarussian parliament will work towards the implementation of the Start-1 treaty and Lisbon protocol on European nuclear security, head of the foreign affairs commission Petr Kravchenko told foreign diplomats in Minsk on Friday.

He read out an appeal to the parliaments and peoples of Europe calling to denuclearize Central Europe from the Baltic Sea to the Black Sea.

The Belarussian official is confident his country will become a nuclear free state.

He said the parliament wanted to see the government comply with the timetable of a pullout of the remaining 18 long range nuclear missiles by the end of this year.

First Deputy Foreign Minister Valeriy Tsyapkala in an interview with Interfax has denied that the latest move is in response of NATO plans to enlarge eastwards.

"No military escalation will add up to European security. The process must be reversed," he said.

Belarus: Correspondent Cites Evidence on Zyuganov-Lukashenka Link

LD2107115696 Moscow Radio Rossii Network in Russian 1000 GMT 21 Jul 96

[FBIS Translated Text] In neighboring Belarus, unlike Ukraine, it was President Alyaksandr Lukashenka himself and not the prime minister who was in the news last week. The Belarusian opposition is accusing the head of state of funding the election campaign of one of the candidates for the post for Russian president, the leader of the popular-patriotic bloc, Gennadiy Zyuganov. Here is our Minsk correspondent Yuriy Svirko with the details:

[Begin Svirko recording] A week ago these accusations were published by the independent Minsk weekly SVOBODNYYE NOVOSTI PLYUS. In an interview with the paper, the well-known Belarusian parliamentarian Anatol Lyabedska, quoting information from the procuracy and Aleksandr Lebed, secretary of Russia's Security Council, said that the Belarusian president funded Zyuganov through the Makhmud Esambayev Fund, which imported alcohol and cigarettes into Russia via Belarus without paying duty.

Now there is some fresh information. The latest issue of another Minsk weekly, the leading opposition newspaper SVABODA, has a headline story on page one entitled: "Lukashenka-Zyuganov: Dollars for Dictatorship." The author of the article, Igor Senkevich, the Minsk correspondent for KOMSOMOLSKAYA PRAVDA and AFP, writes, and I quote: "According to the latest information, obtained from two separate and credible sources, the campaign was funded not just indirectly through firms and foundations which were exempted from tax, excise, and duty, but directly, with the money being channelled from accounts run by President Lukashenka's secret, extrabudgetary fund to Zyuganov's support fund"—end of quote.

The Minsk correspondent for AFP and KOMSOMOLSKAYA PRAVDA claims that one of the payments amounted to $500,000, and another was $100,000. These were only the direct transfers, the author stresses. Most of the money was channelled through commercial organizations, for example, the Esambayev Fund and the Trade Export [Torgeksport] firm.

The Belarusian president has not yet commented on the article in SVABODA by the well-known Minsk journalist. [end recording]

Although the Belarusian leader has not yet reacted to the press reports, such claims are only significant if they are based on serious evidence. Since the press reports refer only to so-called credible sources, they can be viewed as a purely political attack on the head of state.

Belarus: Lukashenka's Plans To Bolster Authority

WS2207105496 Minsk SVABODA in Belarusian 19 Jul 96 p 2

[Article by Aleh Hruzdzilovich: "A Shot From 'Babruysk Fortress.' The President Responded to the Parliament's Challenge by Threatening a New Referendum"]

[FBIS Translated Text] During his appearance in Babruysk this week, Belarusian President A. Lukashenka made an attempt to seize the quickly increasing political initiative of the opposition. The opposition's ranks have recently been reinforced by parliament, which has gathered around emboldened speaker S. Sharetski. Having taken the first substantial steps aimed at regaining NARODNAYA GAZETA, and having passed a law on responsibility for failure to implement Constitutional Court rulings by a constitutional majority, the Supreme Soviet has let the president know that it is not going to remain a

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detached bystander in the process of transferring all power to one individual in the country — moreover to an individual who is not quite competent, in the opinion of the parliament.

Lukashenka could not but understand the "Civic Action" faction's statement about readiness to initiate the procedure of impeachment as an ultimatum on behalf of the entire parliament. If "Civic Action" joins a bloc of the Agrarians and the Social Democrats (there is already talk about this alliance in the wings of the Supreme Soviet), it will actually become possible to impeach the president. True, democrats offered the president an alternative — a fundamental change in his policy. Literally three days had elapsed since the "Civic Action's" statement, and Lukashenka made his choice. And instead of impeachment, deputies should worry about their jobs now.

In Babruysk, the president revealed a plan, rumors about which had long disturbed the public. So he is indeed preparing a referendum, and it will include questions which would fundamentally alter Belarus' state system. An outline of a new constitution with the following innovations will be proposed: first, the president's term of office will last seven years. This will automatically extend Lukashenka's rule for another five years. Second, there will be a bicameral parliament. Moreover, each chamber will have 60 deputies, and the upper one (for example, a "senate") will comprise people appointed by the president. Without the senate's approval, draft bills passed by the lower chamber — to which the people will still be allowed to delegate their best sons, although according to the president, they are "drunks," "faggots," and, in general, an "abscess" — will not be adopted. Undoubtedly, this will extricate the president from grievances of the Constitutional Court which so often annuls presidential edict dues to their noncompliance with the Constitution and laws. Then, there will simply be no laws unsuitable for the president's policy. However, even this "sieve" seemed to be too little, and it was decided to reshuffle the Constitutional Court itself, just in case. Lukashenka suggests the president directly appoint half the judges.

According to information obtained from competent sources, there are other "innovations" in Lukashenka's plans. (He did not reveal them in Babruysk in order to not bother the electorate with unimportant things). For example, there are grounds to claim that the president is going to subordinate the Prosecutor's Office — which currently represents a body which is completely independent of him — to the Ministry of Justice (it is the president who appoints the chief of this ministry). He is also going to disband the Supreme Soviet Control Chamber's missions in oblasts, saying that the Control Chamber should only supervise the national budget, and the parliament should not "poke its nose" into local affairs. It is not ruled out that other "reforms," which the "great reformer" wants to tackle in absence of real reforms, will be conducted as well.

How realistic is all this? It is clear that constitutional changes in the structure of the legislative body will entail disbandment of the current parliament and elections to a new one. Most deputies will hardly accept this, including the communists. However, the parliament has wasted time, and belated attempts to oust the president in a legal manner (provided they are made) will undoubtedly be presented to the people as unwillingness to vacate "cushy seats." Following such "artistic propaganda preparations," the parliament's disbandment will become a matter of technique, which will be easily resolved not only by a power minister, but even by the commander of any special purpose unit.

However, it is also suicidal for the parliament to agree to hold a debate on the referendum. In this situation, the law on referendum guarantees immunity only to the Constitutional Court, and authorizes putting to a referendum other changes proposed by the president. Another thing is that all these changes will result in a situation in which virtually all power in sovereign Belarus will belong to one "sovereign." If nobody annoys him, in five years he will only have to hold the last referendum — on extending the president's term of office until the president's death.

True, there are also the esteemed Belarusian people whose choice should really be the main law. However, who will secure the freedom of their choice and how? The answer to this question was provided in May 1995 [during Lukashenka's referendum on state symbols and integration with Russia].

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